SPARE COPY

FOREIGN AFFAIRS

SEPTEMBER/OCTOBER 1998

What if Women Ran the World?

FRANCIS FUKUYAMA

India's Case for Nukes

JASWANT SINGH

Russia's Virtual Economy

CLIFFORD GADDY & BARRY ICKES

Defending Japanese Bureaucrats

PETER DRUCKER

The Great Technology Giveaway?

MICHAEL HIRSH

States & the Information Revolution

ROBERT KEOHANE & JOSEPH NYE, JR.

THE BALKANS

Kosovo's Ancient Hatreds • *Aleksa Djilas*
Dayton's Limits • *Warren Bass*

$7.95 IN USA · $10.50 IN CANADA

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS

SEPTEMBER/OCTOBER 1998
VOLUME 77, NUMBER 5

Comments

The Great Technology Giveaway? *Michael Hirsh* 2

In its recent decision to ban satellite sales to China, Congress has failed to recognize that dual-use exports are now vital to America's technological edge.

Downsizing German Politics *John Vinocur* 10

After the epic reign of Helmut Kohl, Gerhard Schröder may be the right man to lead Germany away from history's summits and onto its more prosaic plains.

Tackling International Corruption
John Brademas and Fritz Heimann 17

Corruption does no one any favors. After long pretending that graft was a necessary evil—or just plain necessary—governments rich and poor are trying to stamp it out.

Essays

Women and the Evolution of World Politics *Francis Fukuyama* 24

To some degree, biology is destiny. The feminist school of international relations has a point: a truly matriarchal world would be less prone to conflict and more cooperative than the one we now inhabit. And world politics has been gradually feminizing over the past century. But the broader scene will still be populated by states led by men like Mobutu, Milošević, or Saddam. If tomorrow's troublemakers are armed with nuclear weapons, we might be better off being led by women like Margaret Thatcher than, say, Gro Harlem Brundtland. Masculine policies will still be essential even in a feminized world.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Against Nuclear Apartheid *Jaswant Singh* 41

Since independence, India's nuclear policy has been to seek either global disarmament or equal security for all. The old nonproliferation regime was discriminatory, ratifying the possession of nuclear weapons for the permanent five members of the U.N. Security Council while preaching to the nuclear have-nots about the virtues of disarmament. India was left sandwiched between two nuclear weapons powers, Pakistan and a rising China. The end of the Cold War has not ushered in an era where globalization and trade trump old-fashioned security woes. If nuclear deterrence works in the West, why won't it work in India?

Russia's Virtual Economy *Clifford G. Gaddy and Barry W. Ickes* 53

The assumption behind the International Monetary Fund's recent bailout of Russia is that the country is gradually reforming its economy according to market principles. But Russia's economy is much smaller than official figures suggest. Workers, the government, and industry all accept the myth that the manufacturing sector produces value, when in fact what it makes is worth less than the labor and resources it consumes. The result is a mountain of wage and pension arrears and government debt that will continue to provoke crises. The day of reckoning will be much worse if the West does not pull the plug soon.

In Defense of Japanese Bureaucracy *Peter F. Drucker* 68

During Asia's economic crisis, U.S. policy toward Japan is based on disdain for its overweening bureaucrats. But Japan is hardly unique. Bureaucracies dominate most countries; it is the United States that is the exception. Such elites can hold power for decades, despite repeated blunders, because even developed countries fear social disintegration without their leadership. In Japan, where society's stability takes precedence over the economy, the bureaucrats' caution, bred by past traumas, is not as foolish as many Westerners think. Defending the bureaucrats is wiser than trashing them.

Power and Interdependence in the Information Age
Robert O. Keohane and Joseph S. Nye, Jr. 81

Throughout this century, modernists have been proclaiming that technology would transform world politics. These days futurists argue that the information revolution is leading to a new electronic feudalism, with overlapping communities laying claim to citizens' loyalties. But the state is very resilient. Geographically based states will continue to structure politics in an information age, but they will rely less on traditional resources and more on their ability to remain credible to a public with increasingly diverse sources of information.

The Triage of Dayton *Warren Bass* 95

Somehow the Americans went from claiming they did not have a dog in the Bosnia fight to redrawing the map of the Balkans over Scotch with the ruthless Slobodan Milošević. But the Dayton Accord that ended Bosnia's war has been oversold. It is the product not of Wilsonian idealism but of a reluctant realpolitik. Had Washington intervened in 1993, as Bill Clinton promised to, 100,000 lives could have been saved. Dayton has strengthened the two nastiest dictators in the region, Serbia's Milošević and Croatia's Franjo Tudjman, and edged toward accepting the de facto partition of Bosnia. The violence in Kosovo today is a reminder of the costs of appeasing aggressors.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ireland's Uncertain Peace *John Lloyd* 109

For the first time in a generation, there is real hope for peace in Northern Ireland. A fortunate political constellation in Britain, the United States, and Ireland provided the impetus to make the compromises needed for a viable pact. But the Good Friday Agreement is fragile. It survived its first major challenge, this summer's marching season and its attendant strife, only by a grim kind of Irish luck: a brutal bombing that killed three boys and inspired both unionists and republicans to renew their commitment to the accord. The province's new government will face more such challenges, and its ability to overcome them depends on a few good men.

Reviews

Imagining Kosovo *Aleksa Djilas* 124

Noel Malcolm's history of Serbia's flashpoint province is marred by his sympathies for its ethnic Albanian separatists, anti-Serbian bias, and illusions about the Balkans.

How the West Won *David Frum* 132

Although Jared Diamond's *Guns, Germs, and Steel* is original and convincing, his "therapeutic" approach to history confuses scholarship with social work.

To Better Order the Universe *Roy Jenkins* 136

James Chace's wise biography of Dean Acheson shows how Truman's inimitable secretary of state helped create the postwar order.

Drug Myths from Abroad
Herbert D. Kleber and Mitchell S. Rosenthal 141

Ethan A. Nadelmann cites supposed foreign successes to argue for drug liberalization at home. Such policies are neither sensible nor compassionate.

Recent Books on International Relations 145

Francis Fukuyama on *From Plato to NATO;* Richard Cooper on Jagdish Bhagwati; Eliot Cohen on *Clones and Clones;* David Hendrickson on American empire; Kenneth Maxwell on Jews and slavery; L. Carl Brown on Islam beyond violence.

Letters to the Editor 170

Mike Mochizuki and Michael O'Hanlon on Japanese defense, Chien-jen Chen on Taiwan's jitters, François de Rose on the trouble with France, and others.

The articles in Foreign Affairs *do not represent any consensus of beliefs. We do not expect that readers will sympathize with all the sentiments they find here, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* Foreign Affairs *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. We do not accept responsibility for the views expressed in any article, signed or unsigned, that appears in these pages. What we do accept is the responsibility for giving them a chance to appear.*

THE EDITORS

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FOREIGN AFFAIRS

JAMES F. HOGE, JR. *Editor*
Peter G. Peterson Chair
FAREED ZAKARIA *Managing Editor*

Associate Editors
JACOB KRAMER, WILLIAM J. DOBSON, WARREN BASS

ROSEMARY HARTMAN *Assistant to the Editor*
DEBORAH MILLAN *Assistant to the Managing Editor*
AMY ROWE *Copy Editor*
ANITA MONDELLO *Assistant Copy Editor*
LORENZ SKEETER *Production Manager*
BENJAMIN MOSER *Intern*
TRACEY UHLIG *Editorial Assistant*

Book Reviewers
L. CARL BROWN, ELIOT A. COHEN, RICHARD N. COOPER, FRANCIS FUKUYAMA, GAIL M. GERHART, DAVID C. HENDRICKSON, STANLEY HOFFMANN, ROBERT LEGVOLD, KENNETH MAXWELL, DONALD ZAGORIA

DAVID KELLOGG *Publisher*

DAWN M. TYRRELL *Associate Publisher*
CYNTHIA R. VOUGHT *Promotion Manager*
DAVID HILMER *Advertising Director*
CHRISTOPHER A. GRASS *Advertising Representative*
JOSEPH A. D'AMICO *Circulation Assistant*
CAROL McKUSICK *Anthology Coordinator*

Board of Advisers
KENNETH W. DAM *Chairman*
FOUAD AJAMI, MICHAEL R. BESCHLOSS, LEE CULLUM, JOHN LEWIS GADDIS, RITA E. HAUSER, JIM HOAGLAND, RICHARD HOLBROOKE, KAREN ELLIOTT HOUSE, JEANE J. KIRKPATRICK, KIRK KRAEUTLER, DONALD F. McHENRY, RODNEY W. NICHOLS, FELIX ROHATYN, ELISABETH SIFTON, PAULA SINCLAIR, THEODORE C. SORENSEN, GARRICK UTLEY, PAUL WOLFOWITZ

MANUSCRIPTS SHOULD BE SENT TO: 58 East 68th Street, New York, NY 10021. The Editors will consider all manuscripts received, but assume no responsibility regarding them, and will only return materials accompanied by appropriate postage. Facsimiles will not be accepted as final submissions.

SUBSCRIPTIONS: Price for subscriptions, U.S., $44.00, Canada $54.00, other countries via air $79.00 per year. To subscribe, write *Foreign Affairs*, P.O. Box 420235, Palm Coast, FL 32142-0235. To resolve subscription problems, call (800) 829-5539.

Replacement copies are available to subscribers at no charge until the next issue is published. Thereafter, back issues are $12.00 each. GST number 127686483RT.

ADVERTISING: For rates and schedules contact the Advertising Manager, (212) 434-9400.

Foreign Affairs is a member of The Leadership Network. Contact Fox Associates, New York, NY, (212) 725-2106. FAX: (212) 779-1928.

Foreign Affairs is a member of the Audit Bureau of Circulations and the Magazine Publishers of America.

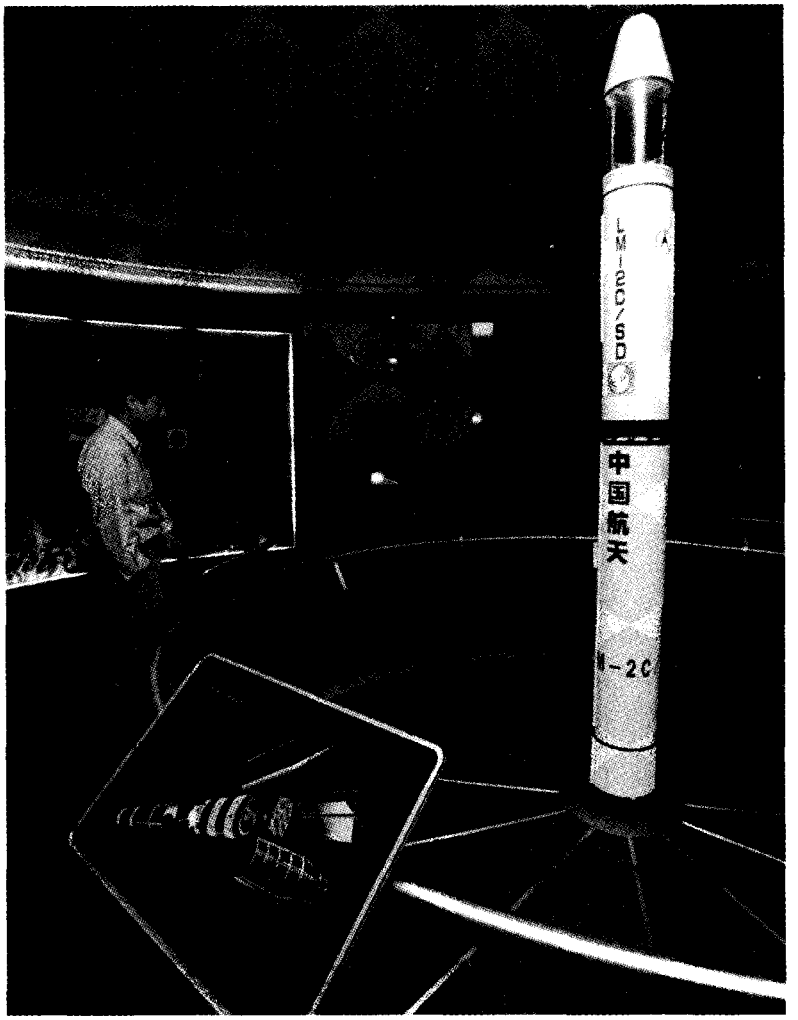
REPRINTS AND PERMISSIONS: Write *Foreign Affairs*, Reader Services, 58 East 68th Street, New York, NY 10021. FAX: (212) 861-2759.

PRINTED IN THE UNITED STATES OF AMERICA

NOTICE: The contents of *Foreign Affairs* are copyrighted. To protect the magazine and its authors against unlawful copying, it is our policy, as provided under U.S. law, to move vigorously against any individual or company engaging in the reproduction or distribution of the contents, by any means, without first obtaining written permission. For prompt action on such requests, please send fax to the Permissions Dept. at (212) 861-2759. E-mail: ForAff@email.cfr.org. *Foreign Affairs* is published six times annually. © 1998 Council on Foreign Relations, Inc.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Comments



AP/WIDE WORLD PHOTOS

A man looks at a model of a Long March rocket with two Motorola Iridium satellites, Beijing, June 18, 1998

Banning American companies from exporting technology could dull the military's edge.

The Great Technology Giveaway? *Michael Hirsh* 2

Downsizing German Politics *John Vinocur* 10

Tackling International Corruption *John Brademas and Fritz Heimann* 17

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Great Technology Giveaway?

Trading with Potential Foes

Michael Hirsh

For all its nuclear peril, the Cold War was in some ways a reassuring time. The enemy was clear, and so were America's choices, or at least it often seemed. So perhaps Congress can be forgiven for reverting to its Cold War reflexes when confronted with a sudden series of proliferation issues last spring. On May 11, India exploded several nuclear devices, becoming the first nation in three decades to declare itself a new member of the nuclear club. A few days later came the shocking allegation that two U.S. satellite companies, Loral Space & Communications and Hughes Electronics, had violated U.S. export restrictions by helping Beijing to improve its missile guidance systems—and, presumably, the aim of a handful of Chinese intercontinental ballistic missiles targeted at U.S. cities. Then on May 28, Pakistan set off its own nuclear tests, an event unconnected to the China controversy but one that seemed, nonetheless, to be insidiously linked. Pakistani Prime Minister Nawaz Sharif, after all, made a point of thanking the Chinese for their technical help on the bomb.

Suddenly, a world long decompressed from the Cold War seemed to be back on the brink. Only this time, Dr. Strangelove had a Chinese face. On May 20, the House voted overwhelmingly to ban the sale and launching of U.S. satellites in China. After the Pakistani tests, Congress also approved a $2.5 million investigation of all technology transfers to China. America's national security, declared some politicians, was being sacrificed at the altar of commerce. Both Republicans and Democrats accused the Clinton administration of carelessly liberalizing high-tech trade with China—encouraged, perhaps, by $1 million campaign donations from the likes of Loral chief Bernard L. Schwartz—and engaging Beijing with a stream of deals that were helping to transform what is still a large developing nation into a 21st century superpower.

That, anyhow, was the perception. Despite the amicable Clinton-Jiang summit in late June, it is a perception that has endured. But the truth is that such thinking is a dangerous anachronism. Demonizing China, a nation clearly in

---

Michael Hirsh is *Newsweek's* Economics Correspondent, based in Washington.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

transition, may prove to be a self-fulfilling prophecy, unnecessarily fostering Cold War II. Even more important, Congress' reaction is a technological throwback; its worst mistake is not in misunderstanding China, but in failing to comprehend the transformation going on before its own eyes in the U.S. economy. The idea that national security and commercial interests trade off—that every time you sell a satellite overseas, you make a profit but lose a little bit of your military edge—harks back to a time when CIA bean counters worried over every uptick in Soviet technology, and when the U.S. defense industry was sequestered in top-secret grandeur, spending untold billions on weapons designed exclusively for the Pentagon, with older-generation models going to America's Cold War allies.

Today the situation could not be more different. Quietly, without most Americans noticing, a revolution has turned the U.S. defense industry upside down. Very little is custom-made for the Pentagon. So reduced is its procurement budget—at about $50 billion, it is now about one-third what it was at the start of the decade—that few defense contractors could survive without a heavy diet of commercial and overseas contracts. As a result, by necessity, the defense industry has grown civilianized. Now much of the best defense technology—like naval propulsion, electronics, and command-and-control telecommunications—is coming from the commercial sector. Dual use has become the rule and not the exception. Apart from a handful of quasi-monopolistic contractors like Lockheed Martin and Newport News Shipbuilding, "the industry is reconstituting itself into a commercially oriented business that also happens to have defense customers," said John R. Harbison, a long-time defense analyst for Booz, Allen & Hamilton, in an interview in June.

NOBODY BEATS THE WIZ

What that means is that, more than ever before, national security and commerce have become mutually reinforcing, not competing, interests. America's defense edge is part and parcel of its commercial prowess. And that prowess in turn depends on exports and a global leadership role for American business. Indeed, banning Loral, Hughes, and other satellite companies from competing for business in China would probably harm America's national security more than letting their prize technologies slip into Beijing's hands, which, in any case, almost never happens.

This growing reliance on commercial technology has been a long-term trend, one set in motion well before Bernie Schwartz ever met Bill Clinton. And it is probably irreversible, given how far ahead the commercial sector is already. "Once upon a time we had the resources in this department to lead the field," Paul G. Kaminski, the former Defense under secretary for acquisition and technology, told me in an interview shortly before he left office last year. "So if something interested us like the development of transistors or computers in missiles, we led the pack in developing it." Hence, for example, the Internet famously began as a highly classified data transmission network linking U.S. nuclear weapons labs. But three decades or so ago that balance began to change, and today it has become too expensive for the Defense Department to build new technology from scratch on "milspec," or military

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

specifications. "I think the amount spent on research in the Department of Defense was surpassed commercially in 1965," said Kaminski. "The disparity has grown ever more since," especially since the end of the Cold War. Kaminski told of sending a Defense Science Board task force to Bosnia to examine how the U.S. military was doing in supplying intelligence to forward-based troops. "They said, 'pretty badly,'" he recalled. "They said there were better modems in the corner store. So we put in place a fix, leasing a transponder on a commercial satellite. There was a 3,000-fold improvement. The only thing we needed was encryption."

SATELLITES SCHMATELLITES

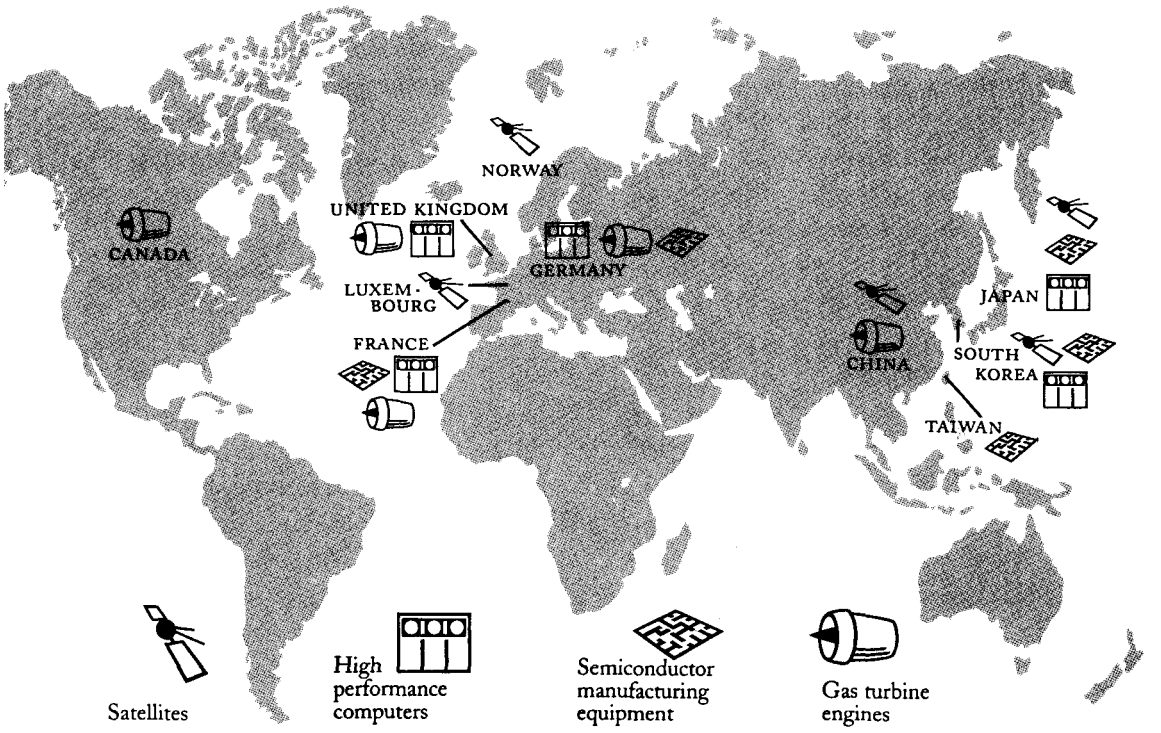
Satellites are a good example of how dramatically the Cold War order has been overturned. Once developed largely for spying and command and control, satellites have become the building blocks of an immense new commercial space industry. Last year was the first time that Vandenberg Air Force Base sent up more commercial than military payloads. "The U.S. military is now a minority user on its own ramps," Gil I. Klinger, the deputy under secretary of defense for space, told my colleague John Barry, *Newsweek's* defense correspondent, last spring. "Now we are chasing furiously behind the commercial users." In fact, several of the main U.S. defense satellite constellations are nearly obsolete, and intelligence sources say the Pentagon intends to go commercial to replace them.

No worry there, you might think: the United States is still far and away the world leader in this $27 billion commercial industry, which could grow to be worth as much as $170 billion by 2007. But others, like the Europeans, are close behind. And competition is intense. About 1,700 commercial satellite launches are projected for the next ten years, and there is a nearly three-year global backlog for launcher space. At present only four countries—the United States, Russia, France, and China—supply it. Launch schedules are crucial to competitiveness: when customers like CNN buy satellites or time on satellites from Loral or Hughes, they pay for it up front, and they do not get revenue until the satellite is aloft. So, to stay competitive, sellers like Loral need to minimize the time lag between purchase and launch. "If you cut our guys out of one of four satellite launchers in the world, it puts them at a significant competitive disadvantage," William A. Reinsch, under secretary of commerce for export administration, said in an interview in June. "Say the nearest launch window is in two years for U.S. satellites, and the Germans come in and say, 'Oh, by the way, we'll launch on China and they've got a window 9 months from now.' That's a 15-month revenue stream I can't get if I buy the American satellite."

Some critics point out that more countries are planning to offer launch services. But few experts dispute that a competitive rush is on and that the launch bottlenecks are staggering. Any loss of business for U.S. satellite companies may translate into a lost defense edge for the Pentagon down the line—especially since military and civilian satellite technology is so similar. The message is plain: to react to the putative threat from China by banning satellite sales to that country is to cut off Uncle Sam's nose to spite his face. There are side benefits to America's commercial dominance as well:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Top U.S. Export Markets for Some Dual Use Equipment



SOURCE: BUREAU OF EXPORT ADMINISTRATION, DEPARTMENT OF COMMERCE

Map by Ib Ohlsson for FOREIGN AFFAIRS

U.S. intelligence, for instance, is helped far more if the Chinese military uses U.S. commercial satellites than it would be if China developed its own hard-wired, secure military alternative.

THE L.L. BEAN THREAT

The vibrancy of America's industrial base, of course, was also key to winning the Cold War. The Soviet Union was essentially bankrupted out of existence, not defeated on the battlefield. But the relationship between economics and national security was then an indirect one: a strong U.S. economy produced the taxes needed to supply the trillions of dollars plowed into defense. We all recall the hundreds of contractors who infamously slurped billions from the public trough, coughing back $2 billion stealth bombers and $600 hammers. Now that defense complex has been reduced to a handful of supersurvivors like Lockheed Martin, Boeing, and a few others that emerged from the flurry of mergers and acquisitions in the 1990s. This is one reason the United States is helping itself to a peace dividend that now includes a balanced budget. Indeed, if there is any issue Congress should be examining, it is whether defense consolidation has gone too far. In some platform sectors, like heavy tanks and nuclear carriers, only one monopoly supplier effectively remains where there were once two or more. That is why the Justice Department prevented the recent merger of giants Lockheed Martin and Northrop Grumman.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Another factor driving this revolution—and one that is also irreversible—is that more and more countries produce the same dual-use equipment. Take another controversial export case involving state-of-the-art machine tool equipment made by McDonnell Douglas, which was diverted to a Chinese military plant in 1995, possibly for cruise missile production. You would not know it from the hue and cry in Washington, but the Germans had sold the Chinese similar milling machines years before. A similar critique can be made of the recent controversy over an encrypted circuit board supposedly stolen by the Chinese after the 1996 crash of a rocket carrying a Loral satellite. In truth, that encryption is so old and widespread it is probably worthless. One industry survey last fall found that 653 encryption products were now available from 29 different nations. Norman R. Augustine, the recently retired head of Lockheed-Martin and a key force behind the industry's consolidation, says that much of the state-of-the-art technology that drives defense is "fungible. I think it's just not possible to keep it in the box anymore."

One problem for those who do want to keep it in a box is that the line dividing military technologies from civilian ones is constantly receding. One by one, commercial uses are being found for formerly military technologies—another peace dividend. Night vision goggles are important military equipment, covered as munitions by the State Department, but they are also available in the L.L. Bean catalog. Global positioning satellites, once intended for guiding ballistic missiles, today are within reach of every backpacker and car owner; around 250,000 GPS receivers are sold each month (although here the government, in a national emergency, could seize control of the network in a wink). Or consider chips hardened to withstand radiation. Once devised because the U.S. military wanted to protect its satellites from attack, today there is a civilian clamor for them. Fearing cyclical spikes in solar activity, companies hope to use them to preempt pager blackouts.

Just as important, warfare is getting increasingly high-tech and computerized, and it will only become more so as the 21st century brings electronic battlefields. Silicon Valley is crucial to the military-industrial complex of the future. Whereas the portion of the Defense Department's R&D procurement budget devoted to electronics was just one percent a couple of decades ago, now it is nearly half. Computer technology accounts for much of this increase. In 1995 the Clinton administration authorized an independent study, which was followed by an internal administration review, that concluded that the ability to design and make nuclear weapons—a key reason for export controls on computers—had long since flown the coop. At the same time, Defense Secretary William J. Perry came to realize that top-grade supercomputers were going to be necessary for 21st century warfare—determining everything from warhead design to weather patterns in the Adriatic Sea in the event of a NATO air strike. But "if you examine our high performance computer companies, of which there are now only seven, every single one of them gets more than 50 percent of its revenues from exports," says Reinsch. "Perry understood that if you rely on the Pentagon as your computer market you're going to go broke. The only way these guys are going to stay in business and make new-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

generation products that the Pentagon can buy is if they're out in the marketplace leading the way in exports." Clinton, as a result, has constantly raised the export threshold for supercomputers, allowing more and more powerful machines to be sold abroad without a license.

THE LAST SUPPER

One of the great ironies of the satellite scandal is that the Pentagon has been portrayed by press reports as the agency most worried by the national security threat allegedly posed by Loral and Hughes. But it was former Pentagon chief Perry who was the brains behind putting defense technologies up for sale. It was Perry, then deputy defense secretary, who one night in 1993 gathered the biggest names in the arms industry and announced, at what became known as the Last Supper, that about half of them would soon disappear from the Pentagon's payroll, victims of post–Cold War budget cuts. Then, in June 1994, Perry issued a momentous memo making commercial rather than military specifications the norm for Pentagon purchases. That same year he oversaw the dissolution of Cocom, the Soviet-era Coordinating Committee for Multilateral Export Controls, and opened the way to the overseas sales of almost all computer and telecommunications equipment without export licenses. Such licenses once would have made these deals illegal without U.S. government approval. As a result, the number of licensing cases involving potentially dual-use technology abroad dropped from a high of 120,000 per year under the Reagan administration to fewer than 9,000 cases by 1996.

The Perry doctrine enraged the hardliners in the Defense Department's Defense Technology Security Administration, a Reagan-era body whose raison d'être is keeping wraps on dual-use goods—and which has been mainly responsible for press leaks on the satellite issue. But the policy met with a willing audience at the Commerce Department, which began trumpeting export promotion under Secretary Ron Brown. Hence the seeds of the current scandal were sown: U.S. exporters loved the policy and began pushing for ever more market openings. Under intense corporate lobbying—by such big political donors and high-tech China exporters as Hughes, AT&T, Loral, and United Technologies—more and more equipment was redefined as dual-use rather than munitions, which puts it under the perusal of the State Department, and moved to a fast-track approval process at Commerce.

Perry had simply decided that in the post–Cold War era it was all but impossible to halt the global flow of dual-use technologies, and that America had to go with the flow to keep its industries alive. True, many of these new exports dovetailed nicely with Beijing's high-tech wish list, but they also made eminent sense in the new commercialized environment. Indeed, there was not much choice. "I think the criterion [for export control] is whether or not we are sole possessors of the technology," Perry explained in an interview last year, before the current controversy erupted. "There was a consistent effort during the whole time I was in the government to reach agreement with Western countries on a unified approach to technology control . . . We did not have much success." At the same time export fever began to overtake the Europeans, who were anxious about their own ailing defense

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

industries. The government did manage to replace Cocom in 1996 with something called the Wassenaar arrangement, a less formal accord among Western countries for keeping a lid on military-related exports. But with the exception of a few targeted rogue nations such as Libya, it is proving to be mostly a paper tiger.

ONE STEP AHEAD

None of this means the West should just drop efforts at export control. Nor does it belie the potential seriousness of the allegation against Loral and Hughes. Both weapons sales and dual-use technologies that clearly contribute to missile, nuclear, or biochemical weapons production need to be assiduously monitored, even with all the headaches of doing so. And they are, at least under law: if it is true that these two satellite companies evaded the required State Department approval before passing on missile guidance information to China, that would be an indisputable violation of U.S. export controls. But it is important to remember that for now the allegation remains a singular one, hardly something that would justify banning all satellite exports to China. Contrary to reports, the Pentagon is sharply divided over whether national security was harmed at all.

The changing nature of technology and geopolitics also means that Washington must keep refining export controls. A General Accounting Office report on another dual-use controversy—involving the sale of AT&T switching equipment to a People's Liberation Army–affiliated company—criticized the Commerce Department on this score in November 1996. It pointed out that, under loosened Commerce rules, companies are pretty much on their own in determining who is a civilian versus a military end user in China, but it concluded that Commerce does not "offer any guidance on how" to do so. Before high-tech exports were liberalized, when companies were forced to apply for an export license, the GAO report noted, the Commerce Department would conduct its own review "using available government resources such as embassy personnel and intelligence reports." It noted that exporters "do not have such resources available to them when making a civil end-user determination." Commerce has responded, creating a blacklist with 28 suspect end users.

The larger point, however, is that America's export control policy can no longer be to close down its borders. In an era of open technology transfer, the centerpiece of any viable strategy must be to keep one's industries running faster than the next economy's. U.S. policy should be twofold: to promote U.S. commercial leadership in dual-use technologies, and to maintain tough but reasonable export monitoring that will slow—even if it does not stop—the acquisition of those technologies by potential enemies. America's national security will be assured as long as the Chinese (or, through them, the Iranians or Pakistanis) are always lagging a few product cycles behind. But that is about all that can be done. "There's going to be a lot more slippage and leakage," says former Assistant Defense Secretary Joseph S. Nye, Jr. "This technology is broadly shared, and the sense of threat [about China] isn't broadly shared."

Unfortunately, the Clinton administration has done a wretched job of articulating this new reality. It is another example of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

how the president's essential centrism—and, perhaps, the taint of scandal—have prevented him from breaking new conceptual ground and seizing the mantle of real leadership. FDR described great presidents as "leaders of thought at times when certain ideas in the life of the nation had to be clarified." Clinton continues to justify his technology transfer policy by pointing out that he is only following what President Bush did, an irony much noted to his detriment, since Clinton notoriously attacked Bush's engagement policy, and by focusing on the negative—in other words, what the United States does not allow China to have. Or he makes the same droning point about China trade being crucial to U.S. jobs. What no one has explained is that trade—yes, trade with China—may well be crucial to U.S. national security. Maybe that is why the comprehension of this new paradigm is sinking in so slowly, especially on Capitol Hill.

Asia-Pacific Review

Asian financial crisis

Bureaucratic reform

Changing times

Asia-Pacific Review gives you the ABCs of what is happening in the Asia-Pacific region, and more! It gives you the A–Z on security, economic, energy, and environmental issues in insightful articles written by Asian politicians, diplomats, academics, and leading overseas analysts.

To celebrate the 10th anniversary of the founding of the Institute for International Policy Studies, *Asia-Pacific Review* is offering a special 10th anniversary issue free to subscribers in 1998. This means you get three issues for the price of two!

☐ **YES**, please begin my subscription today—all 1998 issues for Yen 3500.

Name _____

Address _____

_____

☐ Bank draft for Yen 3500 enclosed

Please return to: *Asia-Pacific Review* Subscriptions
Sumitomo Hanzomon Bldg., 7F, Haybusa-cho 3-16,
Chiyoda-ku, Tokyo 102-0092 JAPAN.

For information: INSTITUTE FOR INTERNATIONAL POLICY STUDIES
Tel +81(3)3222-0715 • *Fax* +81(3)3222-0710
e-mail: editor@iips.org

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Downsizing German Politics

Gerhard Schröder, Man from the Plains

John Vinocur

Not long after Gerhard Schröder became the Social Democratic candidate for the German chancellorship early this year, Chancellor Helmut Kohl attacked his political judgment in a little-reported speech. Schröder, Kohl said, was above all a man who had made a remarkable career of consistently standing on the wrong side of German history. Schröder's instinct for the quick political hit had brought him far, Kohl charged, but when it came to the big decisions that marked the last 25 years, Kohl's opponent had gotten every one wrong.

Schröder had eagerly opposed deployment of American nuclear missiles in Western Europe to counter the Soviet Union's last great attempt to split the Atlantic alliance. He voted against the treaty enabling German reunification. And he proposed last year to postpone indefinitely European Monetary Union and its common currency, the euro, before they officially came to life in May. Accounts of Kohl's speech did not refer to the Persian Gulf War, but the chancellor could have also mentioned that Schröder, as minister-president of the state of Lower Saxony, had tried to rally support against it.

After that attack, the accusations of Schröder's impoverished historical instinct were subordinated as a Kohl campaign theme. This abandoned attempt to put Schröder's political campaign in a long-term context captures the haplessness of the Christian Democrats as they moved toward national elections on September 27. Kohl's argument stuck roughly to the facts, but not many people in Germany appeared to care. This disinterest mirrored the mood of a country ready to thank Kohl for 16 years of measured and correct decisions on cosmic matters and move on. When a visitor to his Hanover office asked him to respond to Kohl's charge about his inability to get on the right side of history, Schröder seemed irritated, saying that if Kohl wanted to make character a campaign issue, he himself did not. When his guest replied that the question was more a matter of basic political orientation than character, Schröder recalibrated and started over with the shy smile, all self-effacement and complicity, that has made

---

JOHN VINOCUR is Senior Correspondent for the International Herald Tribune. He was the newspaper's executive editor from 1987 to 1996.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AP/WIDE WORLD PHOTOS

Shhh, Helmut's history: Gerhard Schröder visits his campaign office in Bonn, April 6, 1998

him such an effective television performer. "I think the time is over in Europe when it was mainly a question of occupying the strategic heights . . . The strategic heights are occupied. I'm responsible for the lower levels where the work needs to be done."

INHERIT THE WIND

If Kohl loses in September, he will not only have been defeated by the 10.5 percent unemployment rate he promised to slice in half or his promise to turn eastern Germany into a "blossoming landscape." He will lose because of a sense that he has no coherent plan for dealing with the rush for change that the establishment, right and left, neither foresaw nor can control. Schröder's sharp political sensibility has caught this. He has promised to restore hope in Germany's future with a program that peaks in precision with phrases like "we're building on the doers in our society."

With international issues less a consideration than in any previous postwar German election (joblessness is by far voters' chief concern), Schröder, who 20 years ago said he was a Marxist, talks about being part of the "New Middle," a notional turf best controlled in Europe by Britain's Prime Minister Tony Blair. This New Middle is a place where words like "risk," "entrepreneurial spirit," and "flexible

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

labor markets" coexist with expressions of allegiance to social justice and fair income distribution.

In Britain, Blair came to office by pocketing Margaret Thatcher's vast social revolution. He inherited a largely transformed economy and business mentality. But for all the similarities of vocabulary, Schröder wants to lead a country trying to manage the painful deterioration of its old certainties. The controlled, rule-laden consensus capitalism that Germans call their social market economy is still rich, but it no longer produces the security, jobs, or unchallenged sense of belonging to a fair community that were the heart of postwar German identity. Despite the collapse of the Berlin Wall, Germany has not become Europe's leader.

MIXED SIGNALS

The society Schröder says must modernize lives with contradictory signals about its strengths and liabilities. Daimler-Benz took over Chrysler in the same month the Bundesbank surrendered its de facto control of European monetary policy to the European Central Bank. Volkswagen may have absorbed Rolls Royce, but Germany is now 24th in the World Economic Forum global competitiveness report, leagues behind such countries as the United States (third) or, closer to home, the Netherlands (seventh). Bertelsmann acquired Random House, yet the reaction in Germany was not triumphant. Instead, the public acknowledged that the deal reflected a domestic investment climate where the average return on equity is 12 percent, compared with 20 percent in the United States. Not only is German corporate investment leaving, but, according to the June report of the American Chamber of Commerce in Germany, so do more foreign firms' headquarters. These American, Japanese, and South Korean firms found too little tax flexibility and too few lifestyle advantages between the Main and the Oder.

Germany recorded strong 3.8 percent growth in the first quarter of 1998, but, as the Allensbach polling institute has reported, Germans did not feel this improvement. The institute compared this to 1992 in the United States, when President Bush told the country the economy had turned around but won back no one's vote. Since 1994, confidence in the market economy has fallen continuously among both eastern and western Germans. Skepticism about the country's being on the right path was deep enough in eastern Germany that half those polled in May were unsure whether socialism or market economics were better for the people. Unemployment in the east ran roughly twice the double-digit figures in the west; Harvard economist Robert Barro said that productivity in the east, hobbled by government wage intervention, would likely reach only 68 to 76 percent of the west's by 2030. The east, he seemed to say, would be a drag on the nation's economy for the next half-century.

Whatever formula Kohl or Schröder finds for increasing job and productivity growth, the Organization of Economic Cooperation and Development (OECD) predicted that German unemployment would improve a bit to 9.7 percent in 2003, still roughly twice the American rate, while growth would fall to levels below those of the current spurt. By 2030, there will be nearly as many people over 64 as between ages 15 and 64, a higher proportion than in any other industrialized country except

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Japan. Whatever the increase in stock market activity, the expansion of German firms' role as global industrial players, or the impact of the government's 1999 move from Bonn to Berlin, it will be virtually impossible to restore the cocooned well-being that postwar Germans had come to regard as a birthright and as their defining national achievement.

THE WIDENING GAP

What happened was this: once an example of equitable income distribution, Germany moved in the 1990s toward polarization between rich and poor, without the programs, job-market expansion, or declining unemployment that characterized the Reagan and Thatcher legacies. Hence the overburdened state. Over the past decade, while jobs and German competitiveness have slipped away and the country has had to pay the costs of unification, globalization has changed the way individual Germans managed their money, making once conservative individual investors comfortable with new ways of accumulating capital. Previously narrow German notions of personal investment, such as time deposits, changed radically, while the labor market and the tenets of Rhenish capitalism remained rigid.

A have-and-have-not society began to develop. By 1993, the number of poor households in Germany had risen to 13 percent of the population, according to the European Union's statistical agency, compared with 13.7 percent in the United States. In 1994, the income of German industrialists and entrepreneurs was three times that of salaried workers, compared with two times in 1980. Since 1991, while income from capital rose by two-fifths, salaries rose by only a tenth. Mercedes and Jaguar sales doubled as jobs disappeared, and in four years the number of deutsche mark millionaires increased by 24 percent. Taxes paid on non-wage income, essentially from personal investment, actually declined this year, underscoring the truth in the joke that tax accountants had replaced politicians, judges, and unions as holders of power in the country.

Encouraging the restructuring of German business, lowering the country's prohibitive labor costs, loosening its restrictive hiring rules, providing incentives for new capital investment—things that both Schröder and Kohl say must be done—mean, in the short term, reinforcing the rich-poor trend that goes against 50 years of consensus. The subtext is that the disparities will increase until the German social model evolves away from its old standards of equitable income distribution and its traditional programs of social protection. How will Germany, which once thought it could buy its way out of every social problem, cope? This question seems to worry Germans far more than the rise of a new extremist right, which this spring won seats in the Saxony-Anhalt state parliament, or the increasing numbers of young people who see no reason to block radical parties from public affairs.

WORKING-CLASS HERO

Now 54 and part of the generation troubled by this change, Schröder has many of the emotional and political credentials to move the country. He grew up poor. His father, whom he never saw, was killed in World War II; his mother cleaned British army barracks in Lower Saxony to support Schröder and his four sisters. His biographers, Bela Anda and Rolf

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Kleine, tell of Schröder's picking turnips for spare change and talking repossession men out of searching the family house by saying there was nothing in it worth seizing. At 13, he flunked a test to become a railway apprentice and left school a year later to sell dishes from a market stall.

Politics came with night school and a law degree. Schröder always had a nose for opportunity, and his rough background provided instant working-class legitimacy. In the late 1970s, he became leader of the Social Democrats' youth organization, riding the antinuclear, anti-American sentiment in West Germany against the missile deployments. Five years later, he visited Fidel Castro and Erich Honecker during his first failed attempt to win Lower Saxony for the Social Democrats in 1987. After his election as minister-president in 1991, he voted against enabling legislation for German unification, explaining that the costs were too great. His biographers said people in his neighborhood election district soon found him such a changeling, so chummy with big business, so openly opportunist that they refused to put up posters for him when he ran again. Schröder, divorced three times, married once more after leaving his wife of 16 years in 1996. His popularity ratings fell by half but turned around in four weeks. He seemed too charming, too emblematic of his times for Germany to stay angry with him for long.

NO POLICIES? NO PROBLEM

As a Social Democrat, Schröder seldom suggests that the conversion he insists the country requires will cause pain. Voters who grew up in a world where all was entitlement and guarantee get reassuring references to his mother's pension, the "you-know-me" verbal nudges of a Social Democratic candidate sworn to social justice. The closest Schröder has come to pointing to how much Germany must change is saying that in 15 years "only half of those in the German economy will benefit from a secure full-time job." Obviously, the phrase is no campaign slogan. Most of the talk instead is of new technology (Germany ranks fourth among the G-8 countries in research expenditures), less bureaucracy, and a new risk-taking business culture. "The SPD," he says, "has published a report breaking with the very statist social democratic attitude and calling for initiative and autonomy. Public opinion has yet to take on this change that shows how we've understood that the omnipotent and interventionist state doesn't have its place in the current circumstances."

But what policy comes in its stead? The SPD has said it will not lower corporate taxes and that it wants to increase family allowances, reinstate a tax on wealth, reverse reductions in sick pay, and restrict facilities given middle-sized employers to cut staff. As for interventionism, Schröder directed the government of Lower Saxony to buy the Preussag steel concern last year when he said it was going to fall under Austrian control. His state's per capita debt has been the highest in the country since he took office. This is more Clement Attlee than Tony Blair.

KOHL IN WINTER

In public, Schröder treats Kohl with stagy respect, mentioning his international successes as if they occurred a millennium ago while shading them with current unemployment figures and enough irony to remove any discomfort from the idea

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the country should send the old retainer into retirement.

In fact, Kohl could not have created better circumstances for an opponent. Beyond his broken promises to bring unemployment down to American levels and to turn eastern Germany into an economic wonderland, the Kohl of the late 1990s seems not quite in touch with Germany's daily problems. The statesman of the summit years seemed to have forgotten how to function on the plains. Last year, the SPD succeeded in blocking the tax reform package that Kohl's Christian Democrats said was key to German revival. Kohl then wrapped himself in the creation of the euro, perhaps the last of his historic achievements, but not one for which the Germans have any special affection. The Christian Democrats squabbled continuously over whether Kohl should be replaced as their candidate by Wolfgang Schäuble, the party's Bundestag chief. The pettiness of the infighting made the last half of the incumbent's 16th year in power seem an inelegant coda on an epochal career.

Kohl says that Schröder has no foreign policy competence, but Schröder replies that of all the changes he would make as chancellor, the least would be in Germany's foreign relations. Yes, he said, he has been wrong before on foreign policy; last year, he savaged Iraq and Saddam Hussein without any particular prompting during the Persian Gulf buildup. The one hint of an innovative international approach came in November, when Schröder told me a British-German-French "triangle" might better suit Europe's leadership needs than the eternal French-German relationship, which he believed had an obligatory feel to it. By summer, the "triangle" reference had been dropped. It seemed too hard-edged and a trace anti-French. Schröder felt so close to power that he fled even the vaguest policy initiatives like old girlfriends or crazy uncles. Of course, he was worried about right-wing youth extremism, but it was not to be dramatized; indeed, he would give full support to the euro, which he once doubted, but not so that it could become a means for one country's trying to undercut another with tax advantages or lower social costs. The voice could have been Kohl's.

Germany's party and electoral system would require a victorious Schröder to form a coalition government. The main possibilities are cooperation with the Greens, an ecological party of anti-NATO and leftist leanings with which Schröder formed governments for eight years in Lower Saxony, or a grand coalition with the Christian Democrats. Leading Greens and Christian Democrats say Schröder would probably prefer the grand coalition, which would lessen his obligations to Oskar Lafontaine, the old-left chairman of the SPD, and give him conservative cover for taking aim, if he chose, at some of the holy writ of the German model.

MAN FOR THE MOMENT

Germans are no longer interested in the sweeping foreign policy successes that have been a hallmark of Kohl's government. This election, then, marks a watershed in German politics. Gone are the times when every trace of German instability carried the sense of potential cataclysm—a swerve to the Soviet orbit, a nationalist outburst—with consequences for the Cold War. Kohl's probable successor would be Germany's first chancellor without direct experience in World War II and the early postwar period. Schröder,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as he has made clear, feels that the concerns of German voters and Germany itself have left the summits and moved onto the plains.

He may have the best skills for the job. Stowing ideologies and dropping friends, he has spent a political lifetime reinventing himself, shading opinions, courting the media, shaping a persona to fit public moods. The man who once said the Soviet Union of Leonid Brezhnev appeared more intent on peace than the United States also claimed Perry Mason's television character inspired his career choice. To a new generation of Germans that sees the foreign policy problems the country faced under Kohl as largely a thing of the past, this seemed all of a piece. No matter what Schröder stood for, close to half of the 1998 electorate thought the Christian Democrats and the Social Democrats very much alike. There was nothing to indicate that 20 years of contradictions had hurt Schröder's popularity. In fact, their breadth, and his life's startling trajectory, make him seem almost comfortable with the vast task of converting the country's economy and readjusting its social system.

Converting the German model into what? Schröder may be elected without having made this clear. It is Germany's postwar achievement that, so far, this likelihood is no storm warning, just politics.

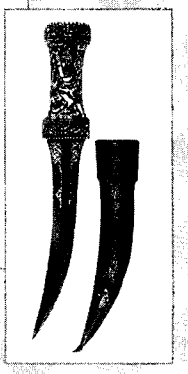
International Auctioneers

HERMANN HISTORICA

Next Auction:
Oct. 15th, 16th, 17th 1998

Kulah Khud
19th Century

Khanjar
19th Century



Catalogue I: Antique Arms and Armour and related objects.

Catalogue II: Orders and Decorations, International Militaria to the present day, German Militaria to 1918.

Catalogue III: German Militaria 1919 up to present, German Orders and Decorations 1933 – 1945.

Hundreds of Pictures in colour and black and white. The cost of our catalogue: US $ 45 each catalogue, US $ 70 for two catalogues, US $ 90 for all three catalogues.

VISA MasterCard

Hermann Historica oHG
Sandstr. 33 • D-80335 Munich
Tel. +49-89-5237296 • Fax +49-89-5237103
E-mail: contact@hermann-historica.com
www.hermann-historica.com

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Tackling International Corruption

No Longer Taboo

John Brademas and Fritz Heimann

After years of being tolerated with a mixture of apathy, cynicism, and denial, corruption is becoming a target of serious international action. Where once they looked the other way, the World Bank, International Monetary Fund (IMF), and other international organizations are now seeking to curb bribery and other corrupt practices. These expanding efforts add up to a reform movement whose most significant achievement to date is the Convention on Combating Bribery of Foreign Public Officials of the Organization for Economic Cooperation and Development (OECD).

The convention, signed in 1997 and now undergoing ratification by the legislatures of 34 nations, will end the competitively damaging isolation of the United States, which banned bribing foreign public officials in 1977. Bribery scandals in half a dozen countries led the United States to pass the Foreign Corrupt Practices Act in hopes that other countries would follow suit. But the act was derided as misguided American moralism, and foreign competitors remained free to use bribes to win commercial orders. Many countries, including Germany and France, even allowed their deduction as business expenses. The United States also promoted a U. N. treaty to ban bribery, but that effort fizzled. The developing world saw the proposed treaty merely as an opportunity to bash multinational companies.

Conventional wisdom saw corruption as a chronic characteristic of human behavior that, in any event, was not of debilitating proportions in the developed world. Although admittedly widespread in the Third World, endemic corruption was not seen as impeding rapid growth in countries such as Indonesia, South Korea, Malaysia, and Thailand. Some economists even saw bribery as grease for the wheels of progress in overregulated societies.

During the last half-dozen years, however, there has been a dramatic change in

---

JOHN BRADEMAS is President Emeritus of New York University, Chairman of the National Endowment for Democracy, and a member of Transparency International's International Advisory Council. FRITZ HEIMANN is Counselor to the General Counsel, General Electric Company. He is a founding member and director of Transparency International.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the tolerance of corruption. A wave of bribery scandals hit all parts of the world. In Asia, the downfall of Indonesian President Suharto followed swelling protests against his refusal to undertake reforms, especially regarding his family's ill-gotten billions from state-connected enterprises. Corruption charges played a critical role in the defeat of Prime Ministers P. V. Narasimha Rao of India and Benazir Bhutto of Pakistan. In South Korea, former Presidents Roh Tae Woo and Chun Doo Hwan were jailed following disclosures that they had received enormous bribes from Korean companies. In Japan, numerous top-level government and business leaders have resigned in the wake of corruption scandals. In Latin America, bribery charges resulted in the impeachments of Presidents Fernando Collor de Mello of Brazil and Carlos Andrés Pérez of Venezuela, as well as the resignation of President Abdalá Bucaram of Ecuador. In Mexico, President Carlos Salinas de Gortari was tarnished by his brother's illicit accumulation of huge sums. President Ernesto Samper of Colombia avoided impeachment over his acceptance of money from the Cali drug cartel, but his political authority was eroded and his party lost the recent presidential election. In Italy, the bribery charges brought by Milanese magistrates have overthrown the entire leadership that ruled Italy for more than four decades. The defeat of Prime Minister Felipe González of Spain was partly due to bribery scandals involving members of his cabinet. Bribery charges also caused the resignation of NATO Secretary-General Willy Claes, a former Belgian defense minister, and of Czech Prime Minister Václav Klaus. Last year's overthrow of Zairean President Mobutu Sese Seko was fueled by popular resentment of his multibillion-dollar corruption. In China, a member of the Politburo resigned in a massive corruption scandal. The foregoing, while far from complete, demonstrates a worldwide phenomenon.

The growing intolerance of corruption stems from the convergence of several political and economic pressures. The post–Cold War era has brought an opening up of governmental processes, freer news coverage, and increased independence of prosecutors and judges. Corruption is harder to hide, as the wave of bribery scandals involving high-level officials in Europe, Asia, and South America demonstrates. On the economic front, impediments to investment and other dysfunctions due to corruption are vividly displayed in Russia, Africa, and Eastern Europe. With the growth of the global economy, international business leaders are increasingly recognizing that common, morally defensible rules are essential.

Most important, people have recognized that corruption is a major obstacle to democratic transitions, market economies, and development. Citizens are using protests, elections, and agencies of civil society to press for reform. One striking example of civil society at work is the growth of Transparency International, an anticorruption organization that in five years has established chapters in over 70 countries and is working closely with the World Bank and OECD. Transparency International publishes an annual index rating corruption country by country and offers a range of anticorruption programs covering such subjects as procurement reform, conflict of interest rules, and freedom of information laws. The organization has influenced public

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

perceptions and marshaled support for the OECD anticorruption convention.

PROVIDING A FRAMEWORK

The OECD is the ideal forum for tackling the supply side of international corruption because its member states are the home bases of nearly all important international companies. The antigraft convention provides a solid framework for an international system. It prohibits bribery of foreign legislative, administrative, and judicial officials, whether appointed or elected. Officials of government-controlled corporations and international organizations are covered. Bribery is prohibited not only in procuring orders but also in regulatory proceedings such as environmental permits, tax and customs matters, and judicial proceedings. The convention requires strong penalties, the establishment of accounting and auditing rules to prevent off-the-books accounts, and mutual legal assistance, including extradition.

Like any agreement emerging from multiparty negotiations, the convention has shortcomings. One is its failure to prohibit improper payments to foreign political parties, party officials, and candidates. The OECD's Anti-Bribery Working Group is reexamining the issue for additional action in 1999. Improvements in this and other areas can be made later and should not be permitted to delay ratification of the convention by national legislatures. Once the convention is in place, Germany and France have signaled that they will end tax deductibility of foreign bribes, a step already taken by Denmark, Norway, Poland, and the Netherlands. For its part, the OECD will seek adherence to the convention by other non-OECD members beyond the five among the current signatories.

Enough countries will probably ratify the convention to let it enter into force by the end of the year. While that will be a great accomplishment, two additional steps must be taken before the convention will have a practical impact. Implementing legislation must be enacted to turn the provisions of the convention into binding national law, and enforcement programs must be organized.

Indispensable to the effectiveness of the convention is a monitoring program to assure consistent implementation by national governments, a challenging task. National legal systems differ, and the level of political support for curbing foreign bribery varies from country to country. The overriding objective of monitoring must be to forestall inconsistent approaches to prohibiting bribery because governments will be reluctant to impose stricter prohibitions on their own companies than those applied to competitors. Preventing regulation from falling to the lowest common denominator can occur only if all parties are held to high standards. To avoid the tendency of signatories to enact minimalist legislation, a strong monitoring program should be quickly designed and put into operation.

The closest analogue to the monitoring program for the convention is the work of the Financial Action Task Force, which has earned high marks for professionalism and competence during its nine years of monitoring the enforcement of money-laundering laws by 26 countries, 24 of which are signatories to the OECD convention. The task force is based at OECD headquarters in Paris, enabling the anti-bribery monitors to benefit firsthand from its experience.

The monitors would also benefit from participation by civil society and the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

business sector. To facilitate such participation, a transparent monitoring process is necessary. The need for transparency distinguishes antibribery monitoring from monitoring in the money-laundering field. That process, which relies on governments monitoring other governments, largely behind closed doors, can work effectively for two reasons: the officials involved have long-standing relationships, and they are dealing with government-regulated financial institutions. Actions to combat bribery, on the other hand, are more politically controversial and involve a much broader range of industries, most of which are not regulated.

A GATHERING POSSE

Until recently, the World Bank and other international financing agencies paid little heed to corruption, apparently considering it a political matter outside their purview. At the bank, this attitude began to change with the appointment of James Wolfensohn as president in 1995. His speech at that year's annual meeting included the first reference to corruption in a presidential address. At the 1996 meeting, Wolfensohn made combating bribery a top priority. He invited Transparency International to help develop the bank's anticorruption strategy. In 1997, the bank adopted a comprehensive program, including strong controls to prevent bribery on World Bank–financed projects and assistance to governments to promote reforms. Similar changes are taking place at other international financing agencies. The IMF, going beyond its traditional focus on monetary and fiscal policy, is emphasizing the need for transparency and other steps to curb corruption. The Inter-American, European, and Asian Development Banks are following the World Bank's lead in adopting stricter controls over projects they finance. And the Global Coalition for Africa has made combating corruption its most important priority for 1998.

The Inter-American Convention Against Corruption was adopted in March 1996. It has been signed by 26 countries, but ratified by only 10. Momentum behind this convention lessened as efforts to create a hemispheric free trade area stalled. Congressional renewal of the fast-track authority needed by the executive branch to negotiate trade treaties could reignite interest. Establishment by the Organization of American States of a body similar to the OECD's Anti-Bribery Working Group to provide professional support and monitor progress by western hemisphere governments would also be helpful.

The International Chamber of Commerce in Paris is playing an important role in encouraging the international business community to become active in fighting corruption. The chamber's focus is on improving corporate self-regulation programs. Strong "Rules of Conduct to Combat Extortion and Bribery," prepared by a group of lawyers, managers, and scholars from over a dozen countries, were issued in 1996. The rules deal forthrightly with such issues as payments to sales agents and other intermediaries, business entertainment and gifts, and political contributions. They cover not only bribery of public officials but bribery within the private sector as well. The chamber is preparing a manual to assist companies in complying with the rules and with the OECD convention.

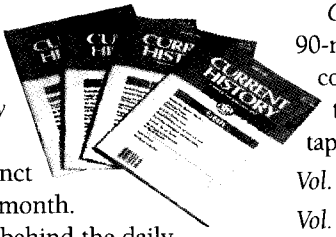
The OECD convention and the increased use of corporate rules of conduct will reduce the supply side of international

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Everything I know I read in the papers.

Duh.

Tired of being spun? Suffering from one too many sound bites? Still recovering from the latest buzz?



There is a solution: A subscription to *Current History* magazine. *Current History* is where solid analysis and succinct writing come together once a month. Where the focus is on getting behind the daily drift of headlines and instant commentary to offer in-depth understanding of today's most pressing issues.

Each month *Current History* offers a comprehensive world affairs package:

▶ Short, concise articles by a diverse body of writers: well-known academic experts, Pulitzer Prize–winning journalists, policymakers, and diplomats.

▶ Unique, single-topic issues that provide annual coverage of China, Russia and Eurasia, the Middle East, Latin America, Asia, Europe, and Africa.

▶ Regular monthly features that include maps, book reviews, and The Month in Review, an international chronology of every major event, country by country, day by day.

KEEP CURRENT WITH AUDIOCASSETTES

Current History is also available on audiocassette. Each 90-minute tape features the best of our past and present coverage to give you the insight you need into the trends and events that are shaping our world. Each tape is $9.95.

Vol. 1: The Disintegration of the Soviet Union

Vol. 2: China Rising: A Superpower Awakes

Vol. 3: The Fundamentalist Challenge in the Middle East

Vol. 4: Latin America: Open for Business?

Vol. 5: The Cold War: Beginnings

Vol. 6: The Pacific Century?

Vol. 7: Understanding the Global Economy

READ SMART—LISTEN SMART

To order your *Current History* subscription and audiocassettes, use the postage-paid order card, the form below, or call **1-800-726-4464** (9-5 EST weekdays) and charge your order to your credit card.

SPECIAL INTRODUCTORY PRICE

Yes, I want to stay current with *Current History* magazine.
Please enter my subscription today!
❑ One Year (9 issues) $29 ❑ Two Years (18 issues) $56

Please send me the following audiocassettes:
__*Vol. 1*: The Disintegration of the Soviet Union
__*Vol. 2*: China Rising: A Superpower Awakes
__*Vol. 3*: The Fundamentalist Challenge in the Middle East
__*Vol. 4*: Latin America: Open for Business?
__*Vol. 5*: The Cold War: Beginnings
__*Vol. 6*: The Pacific Century?
__*Vol. 7*: Understanding the Global Economy
__*Total ordered x $9.95 each* = _____

NAME _____
ADDRESS _____
CITY _____
STATE/ZIP _____

❑ Payment enclosed for $_____ ❑ Bill Me
❑ Charge my: ❑ Visa ❑ MasterCard ❑ AmEx
CARD NO. _____ EXP. DATE _____
SIGNATURE _____

You can order *Current History* or audiocassettes immediately by calling 1-800-726-4464 (9-5 EST, M-F). Outside the US, please call 215-482-4464.
All prices are US funds only. Foreign orders add $7.75; Canadian orders add $7.75 (price includes GST). FA

Mail to: Current History • 4225 Main Street • Philadelphia PA • 19127
FAX: 215-482-9923 • PHONE: 215-482-4464

Visit Current History on the World Wide Web at http://www.currenthistory.com

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COLUMBIA UNIVERSITY
SCHOOL OF INTERNATIONAL & PUBLIC AFFAIRS

JOURNAL OF INTERNATIONAL AFFAIRS

The unique single topic journal with multiple perspectives

Beyond the Headlines since 1947

Announcing Fall 1998 Issue

THE MULTIPLE FACES OF POVERTY

A NEW PERSPECTIVE ON THE CONCEPTIONS, MANIFESTATIONS AND RESPONSES TO WORLD POVERTY

Including: **Jagdish Bhagwati** on poverty and reform, **Muhammad Yunus** on economic development and poverty, **Margaret Catley-Carlson** on poverty and population, **James Gustave Speth** on the UNDP's approach, **E. A. Brett** on poverty in Uganda and an interview with **Bishop of Chiapas Samuel Ruiz**.

Forthcoming Spring 1999 Issue

INTERNATIONAL JUSTICE

An in-depth analysis of the emerging international legal system, including economic, social and philosophical approaches to universal justice.

SOUTH ASIA: THE CHALLENGES OF STATEHOOD
Summer 1997 Issue

TECHNOLOGY AND INTERNATIONAL POLICY: ESSAYS ON THE INFORMATION AGE
Spring 1998 Issue

Subscribe by Check, Money Order (Payable in U.S. Dollars) or Credit Card.
$16 (One Year) $31 (Two Years) + $2 Postage

Payable to: *Journal of International Affairs*, Columbia University
Box 4, International Affairs Building, New York, NY 10027 U.S.A.
Phone: (212) 854-4775 Fax: (212) 662-0398

Please Contact us for Institutional and International Rates

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

corruption. The demand side—extortion and other forms of corruption by public officials—is more difficult to target effectively. Every country has laws prohibiting its officials from taking bribes, but such laws are unlikely to be enforced when top officials are corrupt. The World Bank, IMF, Transparency International, and others are working on programs to promote greater transparency in government operations and other measures to combat demand-side abuses. By curbing foreign bribery, industrialized countries will increase the credibility in the developing world of their proposals for combating demand-side corruption.

THE ROAD AHEAD

The developments of the last five years, although remarkable, are only the start of a long, difficult effort. Although there is widespread support for action against corruption, entrenched groups oppose reforms. Corruption has powerful beneficiaries: officials in high places, companies with large resources, and a legion of influential middlemen.

Wherever corruption has become a way of life, wholesale change is necessary. Tossing out a few rotten apples will not be enough. Operating a corrupt system requires specialized skills on the part of both bribe-givers and bribe-takers. An honest system requires very different skills. New people must be brought in. New incentives and controls must be developed to reinforce integrity and punish corruption.

While no one openly defends corruption, its beneficiaries use delaying tactics to sap public and media interest and amendments to make antibribery laws toothless and unenforceable. To overcome such strategies, perseverance and public support are essential. During the last five years, the argument that the costs of corruption are intolerable has been winning. The biggest challenge for the next five years is to assure continued public support by showing tangible results.

Prospects for success in the struggle against corruption are improving because the disclosures of the last five years demonstrate that corrupt systems are not only unjust but inherently unstable. Because bribes must be paid in secret, normal systems of checks and balances do not function. Without them, corruption spins out of control, as in Italy. Payoffs to political parties started at 5 percent of the price of government contracts, then escalated to 8, 10, and finally 15 percent. As the amounts involved shot up, the funds were no longer restricted to political parties. Instead, they went increasingly to the personal bank accounts of leading politicians. The more egregious the system, the more inevitable the ultimate explosion.

The same slippery slope occurs on the side paying the bribes. A company that decides to bribe must engage in a pattern of deception involving off-the-books transactions and secret bank accounts. The normal control system, including auditors, lawyers, and boards of directors, must be kept in the dark. The absence of accountability will lead to additional abuses. Middlemen and even company employees will pocket money ostensibly intended for government officials. As abuses expand, exposure becomes ever more likely.

Although there are no silver bullet solutions, individual reforms will interact and reinforce each other. The OECD convention, by making foreign bribery a crime, will strengthen efforts to end tax

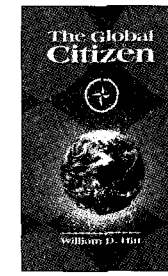
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

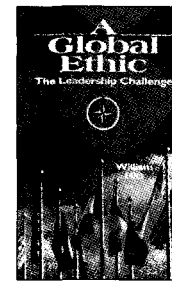
deductibility. The convention will also cause companies in OECD countries to adopt corporate compliance programs, just as U.S. companies did after the passage of the Foreign Corrupt Practices Act in 1977. Corporate self-regulation will multiply the effectiveness of government antibribery law enforcement. It will also enhance the World Bank's efforts to prevent bribery. Wider adoption of corporate compliance programs by foreign companies will make it possible for the World Bank and other international financing institutions to insist on such programs as a condition for bidding on major procurement projects.

Many factors contribute to the pressure for accountability in the post–Cold War world: the spread of investigative journalism, opposition parties anxious to expose corrupt ruling parties, more independent prosecutors and judges, whistle blower protection, the growth of the corporate governance movement, and the expansion of the global economy with increased demand for international accounting standards. These developments bolster the movement to curb corruption and enhance the prospects for achieving lasting reforms.

NEW from Battelle Press

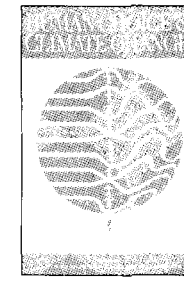
The Global Citizen
By Dr. William Hitt
"This new book will be of great help as we approach the end of this century and millennium when we need many more global citizens."
Dr. Robert Muller
Chancellor of the UN
$20.00 + $3.50 shipping
ISBN 1-57477-039-X





A Global Ethic
The Leadership Challenge
By Dr. William Hitt
"Hitt has created more than a philosophy of leadership. He has set forth a philosophy of life that seems very right for this complex world."
Dr. David C. Smith
Council for Ethics in Economics
$20.00 + $3.50 shipping
ISBN 1-57477-016-0

Human Choice and Climate Change
An assessment of social science research relevant to global climate change.
Edited by Steve Rayner and Elizabeth Malone
"If you are looking for a state-of-the-art appreciation of links between society and the global environment, there is no better place to start."
Jim Skea, Director
UK Global Change Program
Four-volume set
$100.00 soft cover, ISBN 1-57477-040-3
$250.00 hard cover. ISBN 1-57477-045-4
Shipping: $5.75/set

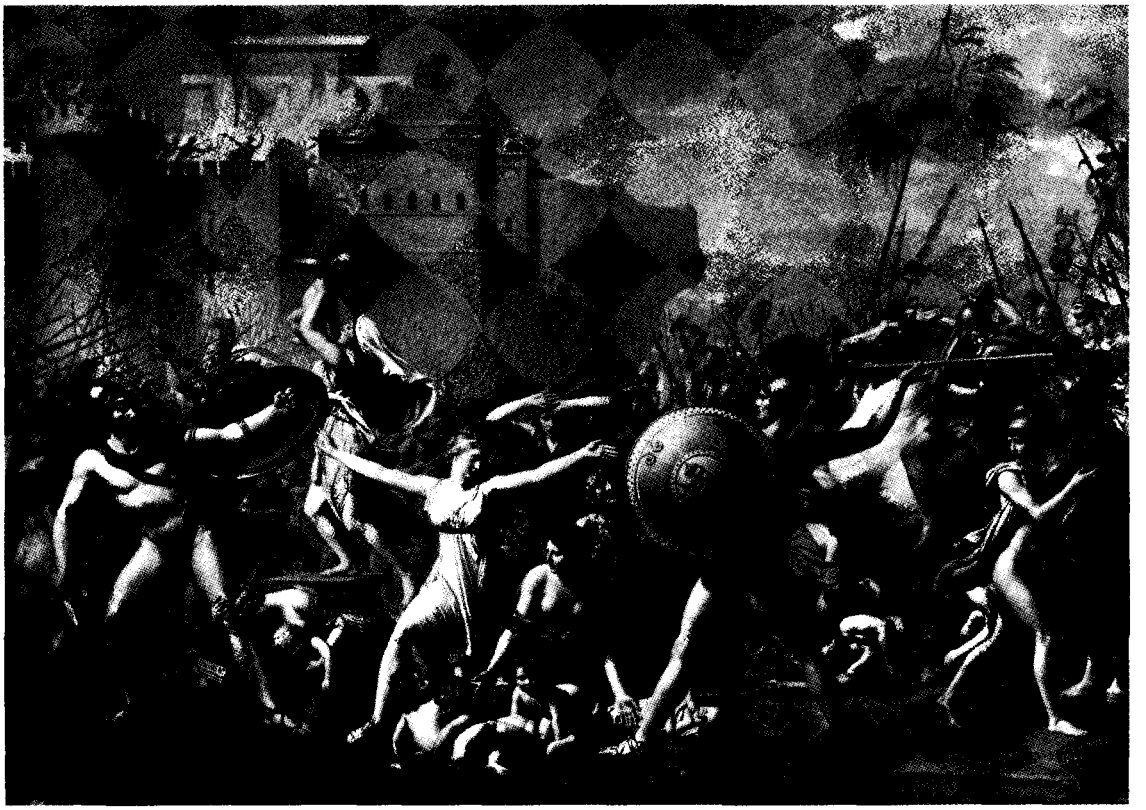


For full contents visit **www.battelle.org/bookstore**

BATTELLE PRESS
505 King Avenue
Columbus OH 43201 U.S.A.
614-424-6393, Fax: 614-424-3819
E-mail: press@battelle.org

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Essays



CORBIS-BETTMANN

Jacques Louis David's The Intervention of the Sabine Women, *Louvre Musuem, Paris*

A world run by women would follow different rules, and it is toward such a world that Western societies are moving.

Women and the Evolution of World Politics *Francis Fukuyama* 24

Against Nuclear Apartheid *Jaswant Singh* 41

Russia's Virtual Economy *Clifford G. Gaddy and Barry W. Ickes* 53

In Defense of Japanese Bureaucracy *Peter F. Drucker* 68

Power and Interdependence in the Information Age
Robert O. Keohane and Joseph S. Nye, Jr. 81

The Triage of Dayton *Warren Bass* 95

Ireland's Uncertain Peace *John Lloyd* 109

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Women and the Evolution of World Politics

Francis Fukuyama

CHIMPANZEE POLITICS

In the world's largest captive chimp colony at the Burger's Zoo in Arnhem, Netherlands, a struggle worthy of Machiavelli unfolded during the late 1970s. As described by primatologist Frans de Waal, the aging alpha male of the colony, Yeroen, was gradually unseated from his position of power by a younger male, Luit. Luit could not have done this on the basis of his own physical strength, but had to enter into an alliance with Nikkie, a still younger male. No sooner was Luit on top, however, than Nikkie turned on him and formed a coalition with the deposed leader to achieve dominance himself. Luit remained in the background as a threat to his rule, so one day he was murdered by Nikkie and Yeroen, his toes and testicles littering the floor of the cage.

Jane Goodall became famous studying a group of about 30 chimps at the Gombe National Park in Tanzania in the 1960s, a group she found on the whole to be peaceful. In the 1970s, this group broke up into what could only be described as two rival gangs in the northern and southern parts of the range. The biological anthropologist Richard Wrangham with Dale Peterson in their 1996 book *Demonic Males* describes what happened next. Parties of four or five males from the northern group would go out, not simply defending their range, but often penetrating into the rival group's territory to pick off individuals caught alone or unprepared. The murders were often grisly, and they were celebrated by the attackers with hooting and

---

Francis Fukuyama is Hirst Professor of Public Policy at George Mason University. His book, *The Great Disruption*, will be published in 1999.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

feverish excitement. All the males and several of the females in the southern group were eventually killed, and the remaining females forced to join the northern group. The northern Gombe chimps had done, in effect, what Rome did to Carthage in 146 B.C.: extinguished its rival without a trace.

There are several notable aspects to these stories of chimp behavior. First, the violence. Violence within the same species is rare in the animal kingdom, usually restricted to infanticide by males who want to get rid of a rival's offspring and mate with the mother. Only chimps and humans seem to have a proclivity for routinely murdering peers. Second is the importance of coalitions and the politics that goes with coalition-building. Chimps, like humans, are intensely social creatures whose lives are preoccupied with achieving and maintaining dominance in status hierarchies. They threaten, plead, cajole, and bribe their fellow chimps to join with them in alliances, and their dominance lasts only as long as they can maintain these social connections.

Finally and most significantly, the violence and the coalition-building is primarily the work of males. Female chimpanzees can be as violent and cruel as the males at times; females compete with one another in hierarchies and form coalitions to do so. But the most murderous violence is the province of males, and the nature of female alliances is different. According to de Waal, female chimps bond with females to whom they feel some emotional attachment; the males are much more likely to make alliances for purely instrumental, calculating reasons. In other words, female chimps have relationships; male chimps practice realpolitik.

Chimpanzees are man's closest evolutionary relative, having descended from a common chimp-like ancestor less than five million years ago. Not only are they very close on a genetic level, they show many behavioral similarities as well. As Wrangham and Peterson note, of the 4,000 mammal and 10 million or more other species, only chimps and humans live in male-bonded, patrilineal communities in which groups of males routinely engage in aggressive, often murderous raiding of their own species. Nearly 30 years ago, the anthropologist Lionel Tiger suggested that men had special psychological resources for bonding with one another, derived from their need to hunt cooperatively, that explained their dominance in group-oriented activities

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from politics to warfare. Tiger was roundly denounced by feminists at the time for suggesting that there were biologically based psychological differences between the sexes, but more recent research, including evidence from primatology, has confirmed that male bonding is in fact genetic and predates the human species.

THE NOT-SO-NOBLE SAVAGE

IT IS all too easy to make facile comparisons between animal and human behavior to prove a polemical point, as did the socialists who pointed to bees and ants to prove that nature endorsed collectivism. Skeptics point out that human beings have language, reason, law, culture, and moral values that make them fundamentally different from even their closest animal relative. In fact, for many years anthropologists endorsed what was in effect a modern version of Rousseau's story of the noble savage: people living in hunter-gatherer societies were pacific in nature. If chimps and modern man had a common proclivity for violence, the cause in the latter case had to be found in civilization and not in human nature.

A number of authors have extended the noble savage idea to argue that violence and patriarchy were late inventions, rooted in either the Western Judeo-Christian tradition or the capitalism to which the former gave birth. Friedrich Engels anticipated the work of later feminists by positing the existence of a primordial matriarchy, which was replaced by a violent and repressive patriarchy only with the transition to agricultural societies. The problem with this theory is, as Lawrence Keeley points out in his book *War Before Civilization*, that the most comprehensive recent studies of violence in hunter-gatherer societies suggest that for them war was actually more frequent, and rates of murder higher, than for modern ones.

Surveys of ethnographic data show that only 10-13 percent of primitive societies never or rarely engaged in war or raiding; the others engaged in conflict either continuously or at less than yearly intervals. Closer examination of the peaceful cases shows that they were frequently refugee populations driven into remote locations by prior warfare or groups protected by a more advanced society. Of the Yanomamö tribesmen studied by Napoleon Chagnon in Venezuela, some 30 percent of the men died by violence; the !Kung San of the Kalahari desert, once

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

characterized as the "harmless people," have a higher murder rate than New York or Detroit. The sad archaeological evidence from sites like Jebel Sahaba in Egypt, Talheim in Germany, or Roaix in France indicates that systematic mass killings of men, women, and children occurred in Neolithic times. The Holocaust, Cambodia, and Bosnia have each been described as a unique, and often as a uniquely modern, form of horror. Exceptional and tragic they are indeed, but with precedents stretching back tens if not hundreds of thousands of years.

The Holocaust, Cambodia, and Bosnia have precedents going back at least tens of thousands of years.

It is clear that this violence was largely perpetrated by men. While a small minority of human societies have been matrilineal, evidence of a primordial matriarchy in which women dominated men, or were even relatively equal to men, has been hard to find. There was no age of innocence. The line from chimp to modern man is continuous.

It would seem, then, that there is something to the contention of many feminists that phenomena like aggression, violence, war, and intense competition for dominance in a status hierarchy are more closely associated with men than women. Theories of international relations like realism that see international politics as a remorseless struggle for power are in fact what feminists call a gendered perspective, describing the behavior of states controlled by men rather than states per se. A world run by women would follow different rules, it would appear, and it is toward that sort of world that all postindustrial or Western societies are moving. As women gain power in these countries, the latter should become less aggressive, adventurous, competitive, and violent.

The problem with the feminist view is that it sees these attitudes toward violence, power, and status as wholly the products of a patriarchal culture, whereas in fact it appears they are rooted in biology. This makes these attitudes harder to change in men and consequently in societies. Despite the rise of women, men will continue to play a major, if not dominant, part in the governance of postindustrial countries, not to mention less-developed ones. The realms of war and international politics in particular will remain controlled by men for longer than many feminists would like. Most important, the task of resocializing men to be more like

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

women—that is, less violent—will run into limits. What is bred in the bone cannot be altered easily by changes in culture and ideology.

THE RETURN OF BIOLOGY

WE ARE living through a revolutionary period in the life sciences. Hardly a week goes by without the discovery of a gene linked to a disease, condition, or behavior, from cancer to obesity to depression, with the promise of genetic therapies and even the outright manipulation of the human genome just around the corner. But while developments in molecular biology have been receiving the lion's share of the headlines, much progress has been made at the behavioral level as well. The past generation has seen a revival in Darwinian thinking about human psychology, with profound implications for the social sciences.

For much of this century, the social sciences have been premised on Emile Durkheim's dictum that social facts can be explained only by prior social facts and not by biological causes. Revolutions and wars are caused by social facts such as economic change, class inequalities, and shifting alliances. The standard social science model assumes that the human mind is the terrain of ideas, customs, and norms that are the products of man-made culture. Social reality is, in other words, socially constructed: if young boys like to pretend to shoot each other more than young girls, it is only because they have been socialized at an early age to do so.

The social-constructionist view, long dominant in the social sciences, originated as a reaction to the early misuse of Darwinism. Social Darwinists like Herbert Spencer or outright racists like Madsen Grant in the late nineteenth and early twentieth centuries used biology, specifically the analogy of natural selection, to explain and justify everything from class stratification to the domination of much of the world by white Europeans. Then Franz Boas, a Columbia anthropologist, debunked many of these theories of European racial superiority by, among other things, carefully measuring the head sizes of immigrant children and noting that they tended to converge with those of native Americans when fed an American diet. Boas, as well as his well-known students Margaret Mead and Ruth Benedict, argued that apparent differences between human groups could be laid at the doorstep of culture rather than nature. There were, moreover, no cultural universals by which Europeans or Americans could

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CORBIS-BETTMANN

Beating men at their own game: A woman floors her beau, 1910.

judge other cultures. So-called primitive peoples were not inferior, just different. Hence was born both the social constructivism and the cultural relativism with which the social sciences have been imbued ever since.

But there has been a revolution in modern evolutionary thinking. It has multiple roots; one was ethology, the comparative study of animal behavior. Ethologists like Konrad Lorenz began to notice similarities in behavior across a wide variety of animal species suggesting common evolutionary origins. Contrary to the cultural relativists, they found that not only was it possible to make important generalizations across virtually

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

all human cultures (for example, females are more selective than males in their choice of sexual partners) but even across broad ranges of animal species. Major breakthroughs were made by William Hamilton and Robert Trivers in the 1960s and 1970s in explaining instances of altruism in the animal world not by some sort of instinct towards species survival but rather in terms of "selfish genes" (to use Richard Dawkins' phrase) that made social behavior in an individual animal's interest. Finally, advances in neurophysiology have shown that the brain is not a Lockean tabula rasa waiting to be filled with cultural content, but rather a highly modular organ whose components have been adapted prior to birth to suit the needs of socially oriented primates. Humans are hard-wired to act in certain predictable ways.

Humans are hard-wired to act in certain predictable ways.

The sociobiology that sprang from these theoretical sources tried to provide a deterministic Darwinian explanation for just about everything, so it was perhaps inevitable that a reaction would set in against it as well. But while the term sociobiology has gone into decline, the neo-Darwinian thinking that spawned it has blossomed under the rubric of evolutionary psychology or anthropology and is today an enormous arena of new research and discovery.

Unlike the pseudo-Darwininsts at the turn of the century, most contemporary biologists do not regard race or ethnicity as biologically significant categories. This stands to reason: the different human races have been around only for the past hundred thousand years or so, barely a blink of the eye in evolutionary time. As countless authors have pointed out, race is largely a socially constructed category: since all races can (and do) interbreed, the boundary lines between them are often quite fuzzy.

The same is not true, however, about sex. While some gender roles are indeed socially constructed, virtually all reputable evolutionary biologists today think there are profound differences between the sexes that are genetically rather than culturally rooted, and that these differences extend beyond the body into the realm of the mind. Again, this stands to reason from a Darwinian point of view: sexual reproduction has been going on not for thousands but hundreds of millions of years. Males and females compete not just against their environment but against one another in a process that Darwin labeled "sexual selection,"

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

whereby each sex seeks to maximize its own fitness by choosing certain kinds of mates. The psychological strategies that result from this never-ending arms race between men and women are different for each sex.

In no area is sex-related difference clearer than with respect to violence and aggression. A generation ago, two psychologists, Eleanor Maccoby and Carol Jacklin, produced an authoritative volume on what was then empirically known about differences between the sexes. They showed that certain stereotypes about gender, such as the assertion that girls were more suggestible or had lower self-esteem, were just that, while others, like the idea that girls were less competitive, could not be proven one way or another. On one issue, however, there was virtually no disagreement in the hundreds of studies on the subject: namely, that boys were more aggressive, both verbally and physically, in their dreams, words, and actions than girls. One comes to a similar conclusion by looking at crime statistics. In every known culture, and from what we know of virtually all historical time periods, the vast majority of crimes, particularly violent crimes, are committed by men. Here there is also apparently a genetically determined age specificity to violent aggression: crimes are overwhelmingly committed by young men between the ages of 15 and 30. Perhaps young men are everywhere socialized to behave violently, but this evidence, from different cultures and times, suggests that there is some deeper level of causation at work.

At this point in the discussion, many people become uncomfortable and charges of "biological determinism" arise. Don't we know countless women who are stronger, larger, more decisive, more violent, or more competitive than their male counterparts? Isn't the proportion of female criminals rising relative to males? Isn't work becoming less physical, making sexual differences unimportant? The answer to all of these questions is yes: again, no reputable evolutionary biologist would deny that culture also shapes behavior in countless critical ways and can often overwhelm genetic predispositions. To say that there is a genetic basis for sex difference is simply to make a statistical assertion that the bell curve describing the distribution of a certain characteristic is shifted over a little for men as compared with women. The two curves will overlap for the most part, and there will be countless individuals in each population who will have more of any given characteristic than those of the other sex. Biology is not destiny, as tough-minded female leaders like

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Margaret Thatcher, Indira Gandhi, and Golda Meir have proven. (It is worth pointing out, however, that in male-dominated societies, it is these kinds of unusual women who will rise to the top.) But the statistical assertion also suggests that broad populations of men and women, as opposed to exceptional individuals, will act in certain predictable ways. It also suggests that these populations are not infinitely plastic in the way that their behavior can be shaped by society.

FEMINISTS AND POWER POLITICS

THERE IS by now an extensive literature on gender and international politics and a vigorous feminist subdiscipline within the field of international relations theory based on the work of scholars like Ann Tickner, Sara Ruddick, Jean Bethke Elshtain, Judith Shapiro, and others. This literature is too diverse to describe succinctly, but it is safe to say that much of it was initially concerned with understanding how international politics is "gendered," that is, run by men to serve male interests and interpreted by other men, consciously and unconsciously, according to male perspectives. Thus, when a realist theorist like Hans Morganthau or Kenneth Waltz argues that states seek to maximize power, they think that they are describing a universal human characteristic when, as Tickner points out, they are portraying the behavior of states run by men.

Virtually all feminists who study international politics seek the laudable goal of greater female participation in all aspects of foreign relations, from executive mansions and foreign ministries to militaries and universities. They disagree as to whether women should get ahead in politics by demonstrating traditional masculine virtues of toughness, aggression, competitiveness, and the willingness to use force when necessary, or whether they should move the very agenda of politics away from male preoccupations with hierarchy and domination. This ambivalence was demonstrated in the feminist reaction to Margaret Thatcher, who by any account was far tougher and more determined than any of the male politicians she came up against. Needless to say, Thatcher's conservative politics did not endear her to most feminists, who much prefer a Mary Robinson or Gro Harlem Brundtland as their model of a female leader, despite—or because of—the fact that Thatcher had beaten men at their own game.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

We've changed. The reviews are in...

"refreshing new sections, brief and informative for those who have too much to read." —*The Washington Post*

"FOREIGN POLICY is full of 'intellectual scoops,' ...articles that give you the framework to understand the morning's headlines..." —Thomas L. Friedman, *The New York Times*

"FOREIGN POLICY is a must read...a source of valuable information and significant thinking from many places and intellectual disciplines..." —Bill Bradley

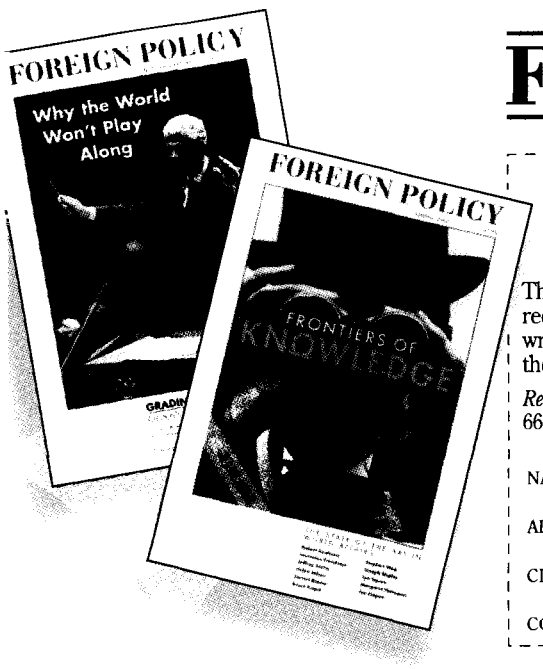
"incisive and in-depth coverage of the new global economy." —Jeffrey Sachs, Harvard University

"FOREIGN POLICY has acquired a facelift, but more important than its new look is the rebirth of its intellectual enthusiasm and sense of urgency..." —Newt Gingrich

"FOREIGN POLICY combines rigorous thinking with lively writing." —Zbigniew Brzezinski

"FOREIGN POLICY is the best source of information and debate about international affairs." —Mario Vargas Llosa

"All policy these days is global policy, and FOREIGN POLICY is the place to find new, interesting, and readable thinking about it." —Larry Summers



FOREIGN POLICY

Review for yourself... the next issue free!

The next issue of FOREIGN POLICY is yours to enjoy. Stay with us and receive an additional year, 4 more issues, for only $21.95. Or don't and just write "cancel" on your bill and return it. It's that simple, no obligation, and the free issue is yours to keep.

Return this coupon to: FOREIGN POLICY, P.O. Box 56616, Boulder, CO 80322-6616, fax to 202-483-4430, or e-mail your request to kleonard@ ceip.org.

5F6N5

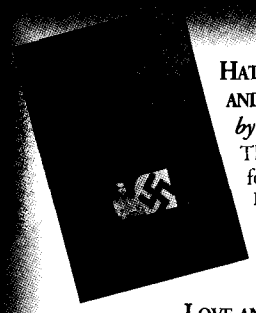
NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

COUNTRY _____ PHONE (opt.) _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



HATE: GEORGE LINCOLN ROCKWELL AND THE AMERICAN NAZI PARTY
by William H. Schmaltz
The first biography of the assassinated founder of the American Nazi Party.
December 1-57488-171-X $29.95
cloth photos

THE GULF BETWEEN US: LOVE AND TERROR IN DESERT STORM *by Cynthia B. Acree with Col. Cliff Acree, USMC*
The new wife of a Marine pilot relates their individual experiences when her husband is shot down behind Iraqi lines.
October 1-57488-159-0
$24.95 cloth photos

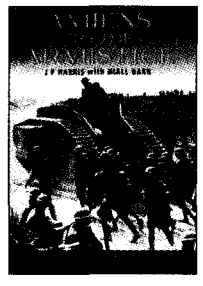
THE GENERAL AND THE JOURNALISTS: ULYSSES S. GRANT, HORACE GREELEY, AND CHARLES DANA
by Harry J. Maihafer

Ulysses S. Grant's successes and failures were directly influenced by two journalists.
November 1-57488-105-1 $29.95
cloth photos

LIFEBOAT SAILORS: INSIDE THE U.S. COAST GUARD'S SMALL BOAT STATIONS *by Dennis L. Noble*

Chronicles the men and women first to the rescue on the nation's coasts and waterways.
December 1-57488-147-7 $27.95 cloth
photos

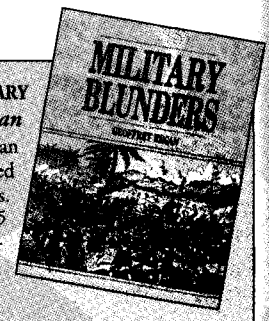
BUSH HAT, BLACK TIE: ADVENTURES OF A FOREIGN SERVICE OFFICER
by Howard R. Simpson
The often strange, interesting realities and excitement of hands-on duty in the Foreign Service.
November 1-57488-154-X $24.95 cloth photos

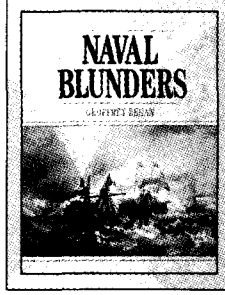


AMIENS TO THE ARMISTICE: THE BRITISH EXPEDITIONARY FORCE IN FRANCE, 8 AUGUST–11 NOVEMBER 1918
by J. P. Harris & Niall Barr
The story of the 100 Days Campaign, in which the BEF brought the German Empire to its knees.
November 1-85753-149-3 $39.95
cloth 16 illus./8 maps

THE WAR AGAINST GERMANY: EUROPE AND ADJACENT AREAS
by The Center of Military History
An impressive compilation of pictures from the European theater during WWII from the soldier's perspective.
February 1-57488-101-9 $27.95
paperback 568 photos

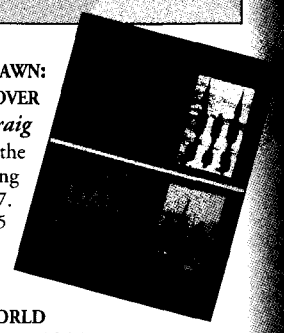
BRASSEY'S BOOK OF MILITARY BLUNDERS *by Geoffrey Regan*
Examines the problems that can lead to military disaster, laced with famous last words.
October 1-57488-189-2 $24.95
paperback illus.

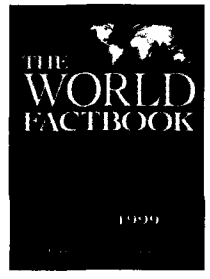




BRASSEY'S BOOK OF NAVAL BLUNDERS *by Geoffrey Regan*
An absorbing survey of naval incompetence, from Roman times to the Falklands War.
October 1-57488-188-4 $24.95
paperback illus.

BLACK WATCH, RED DAWN: THE HONG KONG HANDOVER TO CHINA *by Neil and Jo Craig*
A behind-the-scenes look at the British handover of control of Hong Kong to China in 1997.
November 1-85753-260-0 $29.95
cloth 100 illus.





THE WORLD FACTBOOK: 1999 *by the Central Intelligence Agency*
Contains important CIA data on 266 nations and other entities. Every entry includes a map.
February 1-57488-163-9 $42.50
cloth maps

ASIAN SECURITY: 1998-99
by the Research Institute for Peace and Security
An authoritative overview of political, economic, and security developments in the Pacific Basin.
January 1-85753-279-1 $32.95 cloth

All prices subject to change.

Batsford Brassey, Inc.

At bookstores or call 1-800-775-2518 to order

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Both men and women participate in perpetuating the stereotypical gender identities that associate men with war and competition and women with peace and cooperation. As sophisticated feminists like Jean Bethke Elshtain have pointed out, the traditional dichotomy between the male "just warrior" marching to war and the female "beautiful soul" marching for peace is frequently transcended in practice by women intoxicated by war and by men repulsed by its cruelties. But like many stereotypes, it rests on a truth, amply confirmed by much of the new research in evolutionary biology. Wives and mothers can enthusiastically send their husbands and sons off to war; like Sioux women, they can question their manliness for failing to go into battle or themselves torture prisoners. But statistically speaking it is primarily men who enjoy the experience of aggression and the camaraderie it brings and who revel in the ritualization of war that is, as the anthropologist Robin Fox puts it, another way of understanding diplomacy.

A truly matriarchal world, then, would be less prone to conflict and more conciliatory and cooperative than the one we inhabit now. Where the new biology parts company with feminism is in the causal explanation it gives for this difference in sex roles. The ongoing revolution in the life sciences has almost totally escaped the notice of much of the social sciences and humanities, particularly the parts of the academy concerned with feminism, postmodernism, cultural studies, and the like. While there are some feminists who believe that sex differences have a natural basis, by far the majority are committed to the idea that men and women are psychologically identical, and that any differences in behavior, with regard to violence or any other characteristic, are the result of some prior social construction passed on by the prevailing culture.

THE DEMOCRATIC AND FEMININE PEACE

ONCE ONE views international relations through the lens of sex and biology, it never again looks the same. It is very difficult to watch Muslims and Serbs in Bosnia, Hutus and Tutsis in Rwanda, or militias from Liberia and Sierra Leone to Georgia and Afghanistan divide themselves up into what seem like indistinguishable male-bonded groups in order to systematically slaughter one another, and not think of the chimps at Gombe.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The basic social problem that any society faces is to control the aggressive tendencies of its young men. In hunter-gatherer societies, the vast preponderance of violence is over sex, a situation that continues to characterize domestic violent crime in contemporary postindustrial societies. Older men in the community have generally been responsible for socializing younger ones by ritualizing their aggression, often by directing it toward enemies outside the community. Much of that external violence can also be over women. Modern historians assume that the Greeks and Trojans could not possibly have fought a war for ten years over Helen, but many primitive societies like the Yanomamö do exactly that. With the spread of agriculture 10,000 years ago, however, and the accumulation of wealth and land, war turned toward the acquisition of material goods. Channeling aggression outside the community may not lower societies' overall rate of violence, but it at least offers them the possibility of domestic peace between wars.

The core of the feminist agenda for international politics seems fundamentally correct: the violent and aggressive tendencies of men have to be controlled, not simply by redirecting them to external aggression but by constraining those impulses through a web of norms, laws, agreements, contracts, and the like. In addition, more women need to be brought into the domain of international politics as leaders, officials, soldiers, and voters. Only by participating fully in global politics can women both defend their own interests and shift the underlying male agenda.

The feminization of world politics has, of course, been taking place gradually over the past hundred years, with very positive effects. Women have won the right to vote and participate in politics in all developed countries, as well as in many developing countries, and have exercised that right with increasing energy. In the United States and other rich countries, a pronounced gender gap with regard to foreign policy and national security issues endures. American women have always been less supportive than American men of U.S. involvement in war, including World War II, Korea, Vietnam, and the Persian Gulf War, by an average margin of seven to nine percent. They are also consistently less supportive of defense spending and the use of force abroad. In a 1995 Roper survey conducted for the Chicago Council on Foreign Relations, men favored U.S. intervention in Korea in the event

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of a North Korean attack by a margin of 49 to 40 percent, while women were opposed by a margin of 30 to 54 percent. Similarly, U.S. military action against Iraq in the event it invaded Saudi Arabia was supported by men by a margin of 62 to 31 percent and opposed by women by 43 to 45 percent. While 54 percent of men felt it important to maintain superior world wide military power, only 45 percent of women agreed. Women, moreover, are less likely than men to see force as a legitimate tool for resolving conflicts.

Male tendencies to act out aggressive fantasies toward one another can never be eliminated.

It is difficult to know how to account for this gender gap; certainly, one cannot move from biology to voting behavior in a single step. Observers have suggested various reasons why women are less willing to use military force than men, including their role as mothers, the fact that many women are feminists (that is, committed to a left-of-center agenda that is generally hostile to U.S. intervention), and partisan affiliation (more women vote Democratic than men). It is unnecessary to know the reason for the correlation between gender and antimilitarism, however, to predict that increasing female political participation will probably make the United States and other democracies less inclined to use power around the world as freely as they have in the past.

Will this shift toward a less status- and military-power-oriented world be a good thing? For relations between states in the so-called democratic zone of peace, the answer is yes. Consideration of gender adds a great deal to the vigorous and interesting debate over the correlation between democracy and peace that has taken place in the past decade. The "democratic peace" argument, which underlies the foreign policy of the Clinton administration as well as its predecessors, is that democracies tend not to fight one another. While the empirical claim has been contested, the correlation between the degree of consolidation of liberal democratic institutions and interdemocratic peace would seem to be one of the few nontrivial generalizations one can make about world politics. Democratic peace theorists have been less persuasive about the reasons democracies are pacific toward one another. The reasons usually cited—the rule of law, respect for individual rights, the commercial nature of most democracies, and the like—are

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

undoubtedly correct. But there is another factor that has generally not been taken into account: developed democracies also tend to be more feminized than authoritarian states, in terms of expansion of female franchise and participation in political decision-making. It should therefore surprise no one that the historically unprecedented shift in the sexual basis of politics should lead to a change in international relations.

THE REALITY OF AGGRESSIVE FANTASIES

ON THE other hand, if gender roles are not simply socially constructed but rooted in genetics, there will be limits to how much international politics can change. In anything but a totally feminized world, feminized policies could be a liability.

Some feminists talk as if gender identities can be discarded like an old sweater, perhaps by putting young men through mandatory gender studies courses when they are college freshmen. Male attitudes on a host of issues, from child-rearing and housework to "getting in touch with your feelings," have changed dramatically in the past couple of generations due to social pressure. But socialization can accomplish only so much, and efforts to fully feminize young men will probably be no more successful than the Soviet Union's efforts to persuade its people to work on Saturdays on behalf of the heroic Cuban and Vietnamese people. Male tendencies to band together for competitive purposes, seek to dominate status hierarchies, and act out aggressive fantasies toward one another can be rechanneled but never eliminated.

Even if we can assume peaceful relations between democracies, the broader world scene will still be populated by states led by the occasional Mobutu, Milošević, or Saddam. Machiavelli's critique of Aristotle was that the latter did not take foreign policy into account in building his model of a just city: in a system of competitive states, the best regimes adopt the practices of the worst in order to survive. So even if the democratic, feminized, postindustrial world has evolved into a zone of peace where struggles are more economic than military, it will still have to deal with those parts of the world run by young, ambitious, unconstrained men. If a future Saddam Hussein is not only sitting on the world's oil supplies but is armed to the hilt with chemical, biological, and nuclear weapons, we might be better off being led by women like

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CORBIS-BETTMANN

Margaret Thatcher than, say, Gro Harlem Brundtland. Masculine policies will still be required, though not necessarily masculine leaders.

The implications of evolutionary biology for the hot-button issue of women in the military is not as straightforward as one might think. The vast majority of jobs in a modern military organization are in the enormous support tail that trails behind the actual combat units, and there is no reason that women cannot perform them as well if not better than men. While men have clearly evolved as cooperative hunters and fighters, it is not clear that any individual group of women will perform less well than any individual group of men in combat. What is much more problematic is integrating men and women into the same combat units, where they will be in close physical proximity over long periods of time. Unit cohesion, which is the bedrock on which the performance of armies rests, has been traditionally built around male bonding, which can only be jeopardized when men start competing for the attention of women. Commanders who encourage male bonding are building on a powerful natural instinct; those who

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

try to keep sexual activity between healthy 20-year-old men and women in check through "zero tolerance" policies and draconian punishments are, by contrast, seeking to do something very unnatural. Unlike racial segregation, gender segregation in certain parts of the military seems not just appropriate but necessary.

THE MARGARET THATCHERS OF THE FUTURE

THE FEMINIZATION of democratic politics will interact with other demographic trends in the next 50 years to produce important changes. Due to the precipitous fall in fertility rates across the developed world since the 1960s, the age distribution of countries belonging to the Organization of Economic Cooperation and Development will shift dramatically. While the median age for America's population was in the mid-20s during the first few decades of the twentieth century, it will climb toward 40 by 2050. The change will be even more dramatic in Europe and Japan, where rates of immigration and fertility are lower. Under the U.N. Population Division's low-growth projections, the median age in Germany will be 55, in Japan 53, and in Italy 58.

The graying of the population has heretofore been discussed primarily in terms of the social security liability it will engender. But it carries a host of other social consequences as well, among them the emergence of elderly women as one of the most important voting blocs courted by mid-21st century politicians. In Italy and Germany, for example, women over 50, who now constitute 20 percent of the population, will account for 31 percent in 2050. There is no way, of course, of predicting how they will vote, but it seems likely that they will help elect more women leaders and will be less inclined toward military intervention than middle-aged males have traditionally been. Edward Luttwak of the Center for Strategic and International Studies has speculated that the fall in family sizes makes people in advanced countries much more leery of military casualties than people in agricultural societies, with their surpluses of young, hotheaded men. According to demographer Nicholas Eberstadt, three-fifths of Italy's offspring in 2050 will be only children with no cousins, siblings, aunts, or uncles. It is not unreasonable to suppose that in such a world tolerance of casualties will be even lower.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

By the middle of the next century, then, Europe will likely consist of rich, powerful, and democratic nations with rapidly shrinking populations of mostly elderly people where women will play important leadership roles. The United States, with its higher rates of immigration and fertility, will also have more women leaders but a substantially younger population. A much larger and poorer part of the world will consist of states in Africa, the Middle East, and South Asia with young, growing populations, led mostly by younger men. As Eberstadt points out, Asia outside of Japan will buck the trend toward feminization because the high rate of abortion of female fetuses has shifted their sex ratios sharply in favor of men. This will be, to say the least, an unfamiliar world.

LIVING LIKE ANIMALS?

In Wrangham and Peterson's *Demonic Males* (said to be a favorite book of Hillary Rodham Clinton, who has had her own to contend with), the authors come to the pessimistic conclusion that nothing much has changed since early hominids branched off from the primordial chimp ancestor five million years ago. Group solidarity is still based on aggression against other communities; social cooperation is undertaken to achieve higher levels of organized violence. Robin Fox has argued that military technology has developed much faster than man's ability to ritualize violence and direct it into safer channels. The Gombe chimps could kill only a handful of others; modern man can vaporize tens of millions.

While the history of the first half of the twentieth century does not give us great grounds for faith in the possibility of human progress, the situation is not nearly as bleak as these authors would have us believe. Biology, to repeat, is not destiny. Rates of violent homicide appear to be lower today than during mankind's long hunter-gatherer period, despite gas ovens and nuclear weapons. Contrary to the thrust of postmodernist thought, people cannot free themselves entirely from biological nature. But by accepting the fact that people have natures that are often evil, political, economic, and social systems can be designed to mitigate the effects of man's baser instincts.

Take the human and particularly male desire to dominate a status hierarchy, which people share with other primates. The advent of liberal

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

democracy and modern capitalism does not eliminate that desire, but it opens up many more peaceful channels for satisfying it. Among the American Plains Indians or the Yanomamö, virtually the only way for a man to achieve social recognition was to be a warrior, which meant, of course, excelling at killing. Other traditional societies might add a few occupations like the priesthood or the bureaucracy in which one could achieve recognition. A modern, technological society, by contrast, offers thousands of arenas in which one can achieve social status, and in most of them the quest for status leads not to violence but to socially productive activity. A professor receiving tenure at a leading university, a politician winning an election, or a CEO increasing market share may satisfy the same underlying drive for status as being the alpha male in a chimp community. But in the process, these individuals have written books, designed public policies, or brought new technologies to market that have improved human welfare.

Of course, not everyone can achieve high rank or dominance in any given status hierarchy, since these are by definition zero-sum games in which every winner produces a loser. But the advantage of a modern, complex, fluid society is, as economist Robert Frank has pointed out, that small frogs in large ponds can move to smaller ponds in which they will loom larger. Seeking status by choosing the right pond will not satisfy the ambitions of the greatest and noblest individuals, but it will bleed off much of the competitive energy that in hunter-gatherer or agricultural societies often has no outlet save war. Liberal democracy and market economies work well because, unlike socialism, radical feminism, and other utopian schemes, they do not try to change human nature. Rather, they accept biologically grounded nature as a given and seek to constrain it through institutions, laws, and norms. It does not always work, but it is better than living like animals.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Against Nuclear Apartheid

Jaswant Singh

THE CASE FOR INDIA'S TESTS

WHILE THE end of the Cold War transformed the political landscape of Europe, it did little to ameliorate India's security concerns. The rise of China and continued strains with Pakistan made the 1980s and 1990s a greatly troubling period for India. At the global level, the nuclear weapons states showed no signs of moving decisively toward a world free of atomic danger. Instead, the nuclear nonproliferation treaty (NPT) was extended indefinitely and unconditionally in 1995, perpetuating the existence of nuclear weapons in the hands of five countries busily modernizing their nuclear arsenals. In 1996, after they had conducted over 2,000 tests, a Comprehensive Test Ban Treaty (CTBT) was opened for signature, following two and a half years of negotiations in which India participated actively. This treaty, alas, was neither comprehensive nor related to disarmament but rather devoted to ratifying the nuclear status quo. India's options had narrowed critically.

India had to ensure that its nuclear option, developed and safeguarded over decades, was not eroded by self-imposed restraint. Such a loss would place the country at risk. Faced with a difficult decision, New Delhi realized that its lone touchstone remained national security. The nuclear tests it conducted on May 11 and 13 were by then not only inevitable but a continuation of policies from almost the earliest years of independence. India's nuclear policy remains firmly committed to a basic tenet: that the country's national security in a world of nuclear

---

JASWANT SINGH is Senior Adviser on Defense and Foreign Affairs to Indian Prime Minister Atal Bihari Vajpayee and a Member of Parliament for the Bharatiya Janata Party.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

proliferation lies either in global disarmament or in exercise of the principle of equal and legitimate security for all.

THE TESTS OF MAY

In 1947, when a free India took its rightful place in the world, both the nuclear age and the Cold War had already dawned. Instead of aligning with either bloc, India rejected the Cold War paradigm and chose the more difficult path of nonalignment. From the very beginning, India's foreign policy was based on its desire to attain an alternative global balance of power that, crucially, was structured around universal, nondiscriminatory disarmament.

Nuclear technology had already transformed global security. Nuclear weapons, theorists reasoned, are not actually weapons of war but, in effect, military deterrents and tools of possible diplomatic coercion. The basis of Indian nuclear policy, therefore, remains that a world free of nuclear weapons would enhance not only India's security but the security of all nations. In the absence of universal disarmament, India could scarcely accept a regime that arbitrarily divided nuclear haves from have-nots. India has always insisted that all nations' security interests are equal and legitimate. From the start, therefore, its principles instilled a distaste for the self-identified and closed club of the five permanent members of the U.N. Security Council.

During the 1950s, nuclear weapons were routinely tested above ground, making the mushroom cloud the age's symbol. Even then, when the world had witnessed only a few dozen tests, India took the lead in calling for an end to all nuclear weapons testing, but the calls of India's first prime minister, Jawaharlal Nehru, went unheeded.

In the 1960s, India's security concerns deepened. In 1962, China attacked India on its Himalayan border. The nuclear age entered India's neighborhood when China became a nuclear power in October 1964. From then on, no responsible Indian leader could rule out the option of following suit.

With no international guarantees of Indian security forthcoming, nuclear abstinence by India alone seemed increasingly worrisome. With the 1962 war with China very much on his mind, Indian Prime Minister Lal Bahadur Shastri began tentatively investigating

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a subterranean nuclear explosion project. A series of Indian nonproliferation initiatives had scant impact. In 1965, to make matters worse, the second war between India and Pakistan broke out. Shastri died in 1966 and was succeeded by Indira Gandhi, who continued the fruitless search for international guarantees. In 1968, India reaffirmed its commitment to disarmament but decided not to sign the NPT. In 1974, it conducted its first nuclear test, Pokharan I.

If nuclear deterrence works in the West, why won't it work in India?

The first 50 years of Indian independence reveal that the country's moralistic nuclear policy and restraint paid no measurable dividends, except resentment that India was being discriminated against. Disarmament seemed increasingly unrealistic politics. If the permanent five's possession of nuclear weapons increases security, why would India's possession of nuclear weapons be dangerous? If the permanent five continue to employ nuclear weapons as an international currency of force and power, why should India voluntarily devalue its own state power and national security? Why admonish India after the fact for not falling in line behind a new international agenda of discriminatory nonproliferation pursued largely due to the internal agendas or political debates of the nuclear club? If deterrence works in the West—as it so obviously appears to, since Western nations insist on continuing to possess nuclear weapons—by what reasoning will it not work in India? Nuclear weapons powers continue to have, but preach to the have-nots to have even less. India counters by suggesting either universal, nondiscriminatory disarmament or equal security for the entire world.

India is alone in the world in having debated the available nuclear options for almost the last 35 years. No other country has deliberated so carefully and, at times, torturously over the dichotomy between its sovereign security needs and global disarmament instincts, between a moralistic approach and a realistic one, and between a covert nuclear policy and an overt one. May 11, 1998, changed all that. India successfully carried out three underground nuclear tests, followed on May 13 by two more underground, sub-kiloton tests. These five tests, ranging from the sub-kiloton and fission variety to a thermonuclear device, amply demonstrated India's scientific, technical, and organizational abilities,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

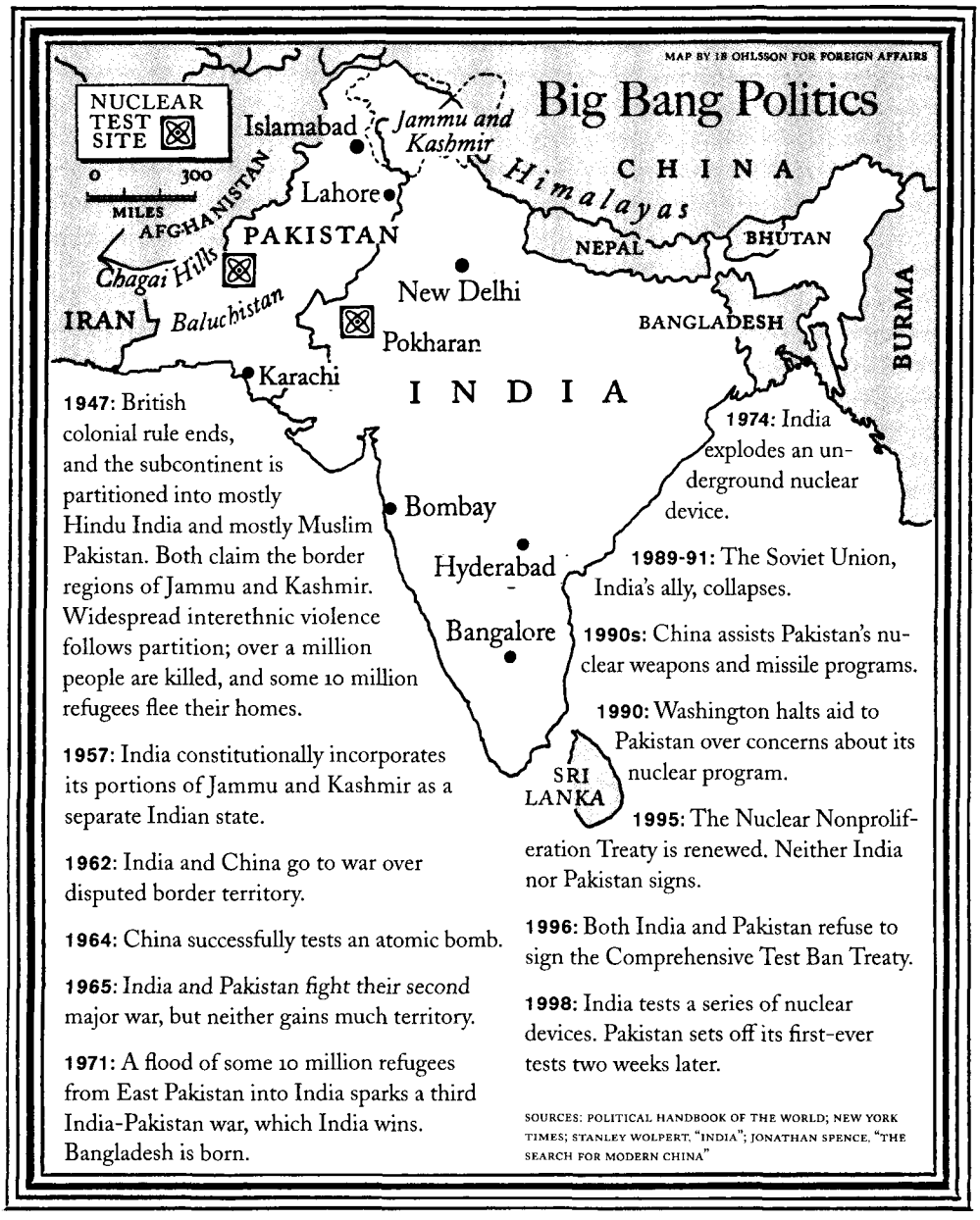
which until then had only been vaguely suspected. A fortnight later, on May 28 and 30, neighboring Pakistan predictably carried out its own tests in the bleak fastness of the Chagai Hills in Baluchistan, near the Afghan border. Suddenly the strategic equipoise of the post–Cold War world was rattled. The entire nonproliferation regime and the future of disarmament were at the forefront of international agendas.

THE FAILURE OF THE OLD REGIME

SINCE INDEPENDENCE, India has consistently advocated global nuclear disarmament, convinced that a world without nuclear weapons will enhance both global and Indian security. India was the first to call for a ban on nuclear testing in 1954, for a nondiscriminatory treaty on nonproliferation in 1965, for a treaty on nonuse of nuclear weapons in 1978, for a nuclear freeze in 1982, and for a phased program for complete elimination of nuclear weapons in 1988. Unfortunately, most of these initiatives were rejected by the nuclear weapons states, who still consider these weapons essential for their own security. What emerged, in consequence, has been a discriminatory and flawed nonproliferation regime that damages India's security. For years India conveyed its apprehensions to other countries, but this did not improve its security environment. This disharmony and disjunction between global thought and trends in Indian thought about nuclear weapons is, unfortunately, the objective reality of the world. Nuclear weapons remain a key indicator of state power. Since this currency is operational in large parts of the globe, India was left with no choice but to update and validate the capability that had been demonstrated 24 years ago in the nuclear test of 1974.

India's May 1998 tests violated no international treaty obligations. The CTBT, to which India does not subscribe, permits parties to withdraw if they believe their supreme national interests to be jeopardized. Moreover, the forcing of an unconditional and indefinite extension of the NPT on the international community made 1995 a watershed in the evolution of the South Asian situation. India was left with no option but to go in for overt nuclear weaponization. The Sino-Pakistani nuclear weapons collaboration—a flagrant violation of the NPT—made it obvious that the NPT regime had collapsed in India's neighborhood. Since it is now argued that the NPT is unamendable, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED


MAP BY I.B. OHLSSON FOR FOREIGN AFFAIRS
Big Bang Politics
NUCLEAR TEST SITE
0 300
MILES
Islamabad
Jammu and Kashmir
Lahore
AFGHANISTAN
PAKISTAN
Chagai Hills
IRAN
Baluchistan
New Delhi
Pokharan
Karachi
CHINA
Himalayas
NEPAL
BHUTAN
BANGLADESH
BURMA
INDIA
Bombay
Hyderabad
Bangalore
SRI LANKA
1947: British colonial rule ends, and the subcontinent is partitioned into mostly Hindu India and mostly Muslim Pakistan. Both claim the border regions of Jammu and Kashmir. Widespread interethnic violence follows partition; over a million people are killed, and some 10 million refugees flee their homes.
1957: India constitutionally incorporates its portions of Jammu and Kashmir as a separate Indian state.
1962: India and China go to war over disputed border territory.
1964: China successfully tests an atomic bomb.
1965: India and Pakistan fight their second major war, but neither gains much territory.
1971: A flood of some 10 million refugees from East Pakistan into India sparks a third India-Pakistan war, which India wins. Bangladesh is born.
1974: India explodes an underground nuclear device.
1989-91: The Soviet Union, India's ally, collapses.
1990s: China assists Pakistan's nuclear weapons and missile programs.
1990: Washington halts aid to Pakistan over concerns about its nuclear program.
1995: The Nuclear Nonproliferation Treaty is renewed. Neither India nor Pakistan signs.
1996: Both India and Pakistan refuse to sign the Comprehensive Test Ban Treaty.
1998: India tests a series of nuclear devices. Pakistan sets off its first-ever tests two weeks later.
SOURCES: POLITICAL HANDBOOK OF THE WORLD; NEW YORK TIMES; STANLEY WOLPERT, "INDIA"; JONATHAN SPENCE, "THE SEARCH FOR MODERN CHINA"

legitimization of nuclear weapons implicit in the unconditional and indefinite extension of the NPT is also irreversible. India could have lived with a nuclear option but without overt weaponization in a world where nuclear weapons had not been formally legitimized. That course was no longer viable in the post-1995 world of legitimized nuclear weapons. Unfortunately, the full implications of the 1995 NPT extension were debated neither in India nor abroad. This fatal setback to nuclear disarmament and to progress toward delegitimization

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of nuclear weapons was thoughtlessly hailed by most peace movements abroad as a great victory.

Nor was the CTBT helpful. In negotiations on the CTBT in 1996, India for the first time stated that the nuclear issue is a national security concern for India and advanced that as one reason why India was unable to accede to the CTBT. Presumably this persuaded the nuclear hegemons to introduce a clause at the last minute pressing India, along with 43 other nations, to sign the treaty to bring it into force. This coercive clause violates the Vienna Convention on Treaties, which stipulates that a nation not willing to be a party to a treaty cannot have obligations arising out of that treaty imposed on it. Even more galling, this clause was introduced at the insistence of China—the provider of nuclear technology to Pakistan. When the international community approved the coercive CTBT, India's security environment deteriorated significantly.

India's plight worsened as the decade wore on. In 1997 more evidence surfaced on the proliferation between China and Pakistan and about U.S. permissiveness on this issue. During Chinese President Jiang Zemin's recent visit to Washington, the United States insisted on a separate agreement with China on Chinese proliferation to Iran and Pakistan, which the Chinese signed instead of professing their innocence. Both the U.S. unease and the Chinese signature attest to Chinese proliferation as a threat to India's security. After all these assurances, China continued to pass missile technology and components to Pakistan. Despite this, the Clinton administration was still willing to certify that China was not proliferating or—even worse for India—that the United States was either unable or unwilling to restrain China. As the range of options for India narrowed, so, too, did the difficulties of taking corrective action.

A FINE BALANCE

TODAY INDIA is a nuclear weapons state. This adds to its sense of responsibility as a nation committed to the principles of the U.N. Charter and to promoting regional peace and stability. During the past 50 years, India made its nuclear decisions guided only by its national interest, always supported by a national consensus. The May 1998 tests resulted from earlier decisions and were possible only because those decisions had been taken correctly.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The earliest Indian forays into the question of nuclear disarmament were admittedly more moralistic than realistic. The current disharmony, therefore, between India and the rest of the globe is that India has moved from being totally moralistic to being a little more realistic, while the rest of the nuclear world has arrived at all its nuclear conclusions entirely realistically. With a surplus of nuclear weapons and the technology for fourth-generation weapons, the other nuclear powers are now beginning to move toward a moralistic position. Here is the cradle of lack of understanding about the Indian stand.

India is sandwiched between two nuclear weapons powers, China and Pakistan.

The first and perhaps principal obstacle in understanding India's position lies in the failure to recognize the country's security needs; of the need in this nuclearized world for a balance between the rights and obligations of all nations; of restraint in acquisition of nuclear weaponry; of ending today's unequal division between nuclear haves and have-nots. No other country in the world has demonstrated the restraint that India has for the nearly quarter-century after the first Pokharan test in 1974.

Now, as the century turns, India faces critical choices. India had witnessed decades of international unconcern and incomprehension as its security environment, both globally and in Asia, deteriorated. The end of the Cold War created the appearance of American unipolarity but also led to the rise of additional power centers. The fulcrum of the international balance of power shifted from Europe to Asia. Asian nations began their process of economic resurgence. The Asia-Pacific as a trade and security bloc became a geopolitical reality. But the rise of China led to new security strains that were not addressed by the existing nonproliferation regime. The 1995 indefinite extension of the NPT—essentially a Cold War arms control treaty with a heretofore fixed duration of 25 years—legitimized in perpetuity the existing nuclear arsenals and, in effect, an unequal nuclear regime. Even as the nations of the world acceded to the treaty, the five acknowledged nuclear weapons powers—Britain, China, France, Russia, and the United States—stood apart; the three undeclared nuclear weapons states—India, Israel, and Pakistan—were also unable to subscribe. Neither the world nor the nuclear powers succeeded in halting the transfer of nuclear weapons technology from

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

declared nuclear weapons powers to their preferred clients. The NPT notwithstanding, proliferation in India's back yard spread.

Since nuclear powers that assist or condone proliferation are subject to no penalty, the entire nonproliferation regime became flawed. Nuclear technologies became, at worst, commodities of international commerce and, at best, lubricants of diplomatic fidelity. Chinese and Pakistani proliferation was no secret. Not only did the Central Intelligence Agency refer to it but, indeed, from the early 1990s on the required U.S. presidential certification of nonproliferation could not even be provided. India is the only country in the world sandwiched between two nuclear weapons powers.

Today most nations are also the beneficiaries of a nuclear security paradigm. From Vancouver to Vladivostok stretches a club: a security framework in which four nuclear weapons powers, as partners in peace, provide extended deterrent protection. The Americas are under the U.S. nuclear deterrent as members of the Organization of American States. South Korea, Japan, and Australasia are also under the U.S. umbrella. China is, of course, a major nuclear power. Only Africa and southern Asia remain outside this new international nuclear paradigm where nuclear weapons and their role in international conduct are paradoxically legitimized. These differentiated standards of national security—a sort of international nuclear apartheid—are not simply a challenge to India but demonstrate the inequality of the entire nonproliferation regime.

In the aftermath of the Cold War, an Asian balance of power is emerging with new alignments and new vacuums. India, in exercise of its supreme national interests, has acted in a timely fashion to correct an imbalance and fill a potentially dangerous vacuum. It endeavors to contribute to a stable balance of power in Asia, which it holds will further the advance of democracy. A more powerful India will help balance and connect the oil-rich Gulf region and the rapidly industrializing countries of Southeast Asia.

To India's north is the Commonwealth of Independent States, a reservoir that has yet to be fully developed. The Soviet Union's successor, Russia, has considerably less international prestige. Inevitably, the previously existing alliance between India and the former U.S.S.R. has eroded.

On India's western flank lies the Gulf region, a critical source of the world's energy. India has ancient links to the area, as it does to the former

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Soviet lands. It also has extensive energy import requirements. The Gulf employs Indian labor and talent. However, this region and its neighbors have been targets of missile and nuclear proliferation. Long-range missiles entered this area in the mid-1980s. Since 1987, nuclear proliferation in the Gulf, with extraregional assistance, has continued unchecked.

Faced as India was with a legitimization of nuclear weapons by the haves, a global nuclear security paradigm from which it was excluded, trends toward disequilibrium in the Asian balance of power, and a neighborhood in which two nuclear weapons countries act in concert, India had to protect its future by exercising its nuclear option. By so doing, India has brought into the open the nuclear reality that had remained clandestine for at least the past 11 years. India could not accept a flawed nonproliferation regime as the international norm when all realities conclusively demanded the contrary.

India's policies toward its neighbors and others have not changed. The country remains fully committed to the promotion of peace, stability, and resolution of all outstanding issues through bilateral dialogue and negotiations. The tests of May 11 and 13 were not directed against any country. They were intended to reassure the people of India about their own security. Confidence-building is a continuous process to which India remains committed.

India's motive remains security, not, as some have speciously charged, domestic politics. Had the tests been motivated simply by electoral exigencies, there would have been no need to test the range of technologies and yields demonstrated in May. In the marketplace of Indian public life, a simple low-yield device would have sufficed. Since that marketplace did not govern the decision to experiment, the tests encompassed the range of technologies necessary to make a credible nuclear deterrent.

JOIN THE CLUB

INDIA IS now a nuclear weapons state, as is Pakistan. That reality can neither be denied nor wished away. This category of "nuclear weapons state" is not, in actuality, a conferment. Nor is it a status for others to grant. It is, rather, an objective reality. India's strengthened nuclear capability adds to its sense of responsibility—the obligation of power. India, mindful of its international duties, is committed to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not using these weapons to commit aggression or to mount threats against any country. These are weapons of self-defense, to ensure that India, too, is not subjected to nuclear coercion.

India has reiterated its desire to enter into a no-first-use agreement with any country, either negotiated bilaterally or in a collective forum. India shall not engage in an arms race, nor, of course, shall it subscribe to or reinvent the sterile doctrines of the Cold War. India remains committed to the basic tenet of its foreign policy—a conviction that global elimination of nuclear weapons will enhance its security as well as that of the rest of the world. It will continue to urge countries, particularly other nuclear weapons states, to adopt measures that would contribute meaningfully to such an objective. This is the defining difference. It is also the cornerstone of India's nuclear doctrine.

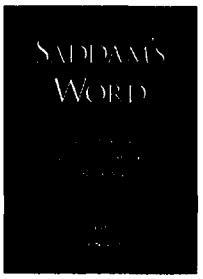
That is why India will continue to support initiatives, taken individually or collectively, by the Non-Aligned Movement, which has continued to attach the highest priority to nuclear disarmament. This was reaffirmed most recently at the NAM ministerial meeting held soon after India had conducted its recent series of underground tests. The NAM ministers reiterated their call at the Conference on Disarmament to establish, as the highest priority, an ad hoc committee to start negotiations in 1998 on a phased program for the complete elimination of nuclear weapons within a specified time, including a nuclear weapons convention. The collective voice of 113 NAM countries echoes an approach to global nuclear disarmament to which India has remained committed.

One NAM initiative, to which great importance is attached, resulted in the International Court of Justice's unanimous July 1996 declaration that there is an international obligation to pursue in good faith and bring to a conclusion negotiations leading to comprehensive nuclear disarmament under strict and effective international control. India was one of the countries that appealed to the ICJ on this issue. No other nuclear weapons state has supported this judgment; in fact, they all have decried it. India has been and will continue to be in the forefront of the calls for opening negotiations for a nuclear weapons convention. This challenge should be confronted with the same vigor that has dealt with the scourges of biological and chemical weapons. In keeping with its commitment to comprehensive, universal, and nondiscriminatory approaches to disarmament, India is an original party

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

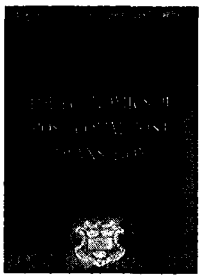
OXFORD UNIVERSITY PRESS

SADDAM'S WORD
The Political Discourse in Iraq
OFRA BENGIO



This is the first serious attempt to understand modern Iraq through a close examination of the political discourse used by the Ba'th regime and its leader, Saddam Hussein. By analyzing political terms, concepts, and idioms as disseminated through the official Iraqi mouthpieces, author Ofra Bengio illuminates Iraq's political culture and the events that these expressions have both reflected and shaped.
(Studies in Middle Eastern History)
1998 288 pp. $49.95

THE ECONOMICS OF POST-COMMUNIST TRANSITION
OLIVIER BLANCHARD

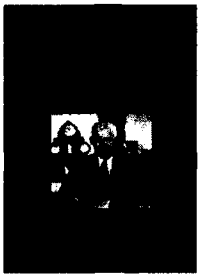


The latest offering from a distinguished expert on the economics of transition, this is one of the few books to fully examine the movement in Central Europe from a centrally-planned economy to a market economy. The 1995 Clarendon Lectures focus on the effects of reforms on the labor market: the contraction of activities in the old state sector, and the development of activities in the new private sector.
(Clarendon Lectures in Economics)
1997 168 pp.; 30 figures, 13 tables
$25.00

TRANSITION REPORT 1997
Enterprise performance and growth: Economic transition in eastern Europe and the former Soviet Union
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

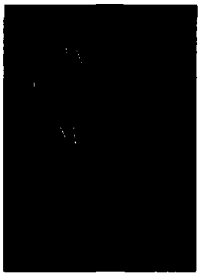
The *Report* is a unique source of information on economic development in Central and Eastern Europe and the former Soviet Union. Drawing on the EBRD's experience as an investor in twenty-six countries in the region, it offers a comprehensive analysis of each nation's progress in the move towards establishing a market economy.
1998 252 pp.; 37 color linecuts
paper $50.00

WAGING PEACE
How Eisenhower Shaped an Enduring Cold War Strategy
ROBERT R. BOWIE and
RICHARD H. IMMERMAN



"A detached history, striving for objectivity but informed by firsthand knowledge of people and events, *Waging Peace* is an extraordinarily important contribution to our understanding of U.S. foreign policy in the 1950s. It will reshape thinking and writing about both the Truman and Eisenhower administrations."—Ernest R. May, Harvard University.
1998 336 pp. $49.95

WORLD CHRISTIANITY AND MARXISM
DENIS R. JANZ



Denis Janz argues that the encounter with Marxism has been the defining event for twentieth century Christianity. This book is the first unified and comprehensive attempt to analyze this historic meeting between these two antagonistic worlds of thought and action. Janz examines the encounter as it unfolded in specific national contexts: the United States, the Soviet Union, Poland, Nicaragua, Cuba, China, and Albania.
1998 200 pp. $35.00

THE IDEA OF HUMAN RIGHTS
Four Inquiries
MICHAEL J. PERRY

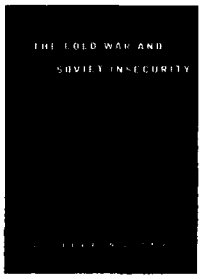
Inspired by a 1988 trip to El Salvador, Michael J. Perry's new book is a personal and scholarly exploration of the idea of human rights. Perry is one of our nation's leading authorities on the relation of morality, including religious morality, to politics and law. He seeks, in this book, to disentangle the complex idea of human rights by way of four probing and interrelated essays.
1998 176 pp. $29.95

NORTH KOREAN FOREIGN RELATIONS IN THE POST-COLD WAR ERA
Edited by SAMUEL KIM

This book examines the changing face of North Korea's foreign policy and how its leaders deal with the rest of the world, in the light of its altering political and economic conditions.
1998 288 pp.; 16 tables $19.95

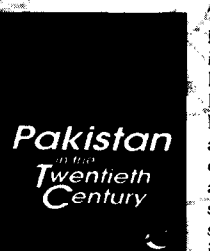
New in Paperback!
Winner of the American Historical Association's 1997 George Louis Beer Prize

THE COLD WAR AND SOVIET INSECURITY
The Stalin Years
VOJTECH MASTNY



"A masterful account of Soviet policy during the Cold War....Offering new and fascinating insights on the Tito-Stalin conflict, the Stalin-Mao polarization, the Korean War, and other crises in US-Soviet relations between 1945 and 1953, Mastny's study is a major contribution to Cold War historiography."—*Choice.*
1996 (paper 1998) 304 pp. paper $19.95
cloth $30.00

PAKISTAN IN THE TWENTIETH CENTURY
A Political History
LAWRENCE ZIRING



This book by a leading scholar is the definitive history of Pakistan. Beginning with an examination of the people and forces that shaped the construction of an independent, predominantly Muslim state within the subcontinent, Ziring provides an incisive and comprehensive description of the events that influenced Pakistan's development in the subsequent fifty years.
(The Jubilee Series)
1998 658 pp. $29.95

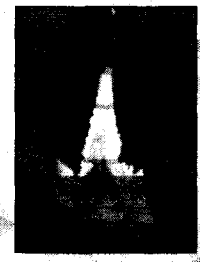
Prices are subject to change and apply only in the US. To order, or for more information, please call 1-800-451-7556. In Canada, call 1-800-387-8020.
HTTP://WWW.OUP-USA.ORG

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AT BOOKSTORES OR DIRECTLY FROM BROOKINGS

Phone: Toll-free **1-800-275-1447**
or (202) 797-6258
Fax: (202) 797-6004
E-Mail: BIBOOKS@brook.edu

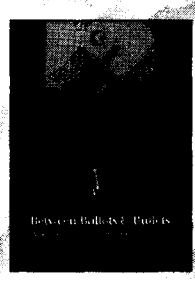
• NEW FROM •
BROOKINGS
INSTITUTION PRESS



ATOMIC AUDIT
The Costs and Consequences of U.S. Nuclear Weapons Since 1940

Stephen I. Schwartz, Editor
"*Atomic Audit* presents an unprecedented complete and authoritative review of the history and high cost of the entire U.S. nuclear weapons program. Included is a provocative, extraordinarily large estimate of casualties from nuclear fallout and a welcome analysis of the adverse consequences of unwarranted nuclear secrecy."
—*Glenn T. Seaborg, Co-discoverer of Plutonium (Nobel Prize Winner) and Former Chairman, U.S. Atomic Energy Commission*

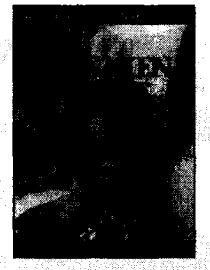
hardcover $59.95 / paperback $24.95 ***Photographs and maps***



BETWEEN BALLOTS AND BULLETS
Algeria's Transition from Authoritarianism

William B. Quandt
"This is a lucid, well-written, and highly readable account of Algeria's tortuous contemporary politics. Quandt provides a balanced and fresh perspective on the Algerian agony and the prospects for the future. This is an important book and necessary reading for understanding Algerian politics."
—*Farhad Kazemi, New York University*

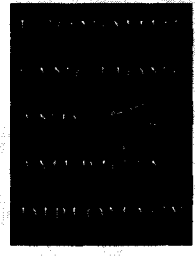
hardcover $39.95 / paperback $16.95



THE FORSAKEN PEOPLE
Case Studies of the Internally Displaced

Roberta Cohen and Francis M. Deng, Editors
This book contains case studies of ten countries that have suffered severe problems of internal displacement: Burundi, Rwanda, Liberia, the Sudan, the former Yugoslavia, the Caucasus, Tajikistan, Sri Lanka, Colombia, and Peru.
Don't miss the companion volume —*Masses in Flight: The Global Crisis of Internal Displacement*

hardcover $52.95 / paperback $22.95

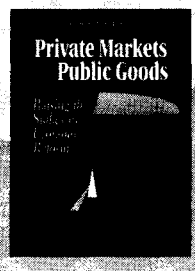


ECONOMIC SANCTIONS AND AMERICAN DIPLOMACY

Richard N. Haass, Editor
"Economic sanctions rarely work as intended, but they always have consequences. In [this book], Richard Haass, one of this country's leading foreign policy experts, explains what needs to be done to regain control of this commonly used but often abused foreign policy tool.. Members of Congress, as well as those serving in state legislatures and the executive branch, should read this book."
—*Senator Richard Lugar*

A Council on Foreign Relations Book

paperback $17.95



PRIVATE MARKETS FOR PUBLIC GOODS
Raising the Stakes in Economic Reform

Carol Graham
"Objective yet committed is a succinct description of Carol Graham's analytic and comparative book on policies and reform in countries as diverse as Bolivia and the Czech Republic, as Zambia, Chile, and Peru. One admires the creativity, diversity, and political will outlined by the author in different societies seeking democracy and market economies. Their successes and failures bear valuable lessons for even developed societies, as well as developing nations."
—*Gonzalo Sánchez de Lozada, Former President of Bolivia*

hardcover $49.95 / paperback $19.95

VISIT BROOKINGS ONLINE AT WWW.BROOKINGS.EDU

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the conventions against both. In recent years, in keeping with these new challenges, India has actively promoted regional cooperation—in the South Asian Association for Regional Cooperation, in the Indian Ocean Rim Association for Regional Cooperation, and as a member of the Association of Southeast Asian Nations Regional Forum. This engagement will continue. The policies of economic liberalization introduced in recent years have increased India's regional and global linkages, and India shall deepen and strengthen these ties.

The genie of nuclear proliferation was out of the bottle long before India's 1998 tests.

India's nuclear policy has been marked by restraint and openness. It has not violated any international agreements, either in 1974 or 1998. This restraint is a unique example. Restraint, however, has to arise from strength. It cannot be based upon indecision or hesitancy. Restraint is valid only when it removes doubts, which is precisely what India's tests did. The action involved was balanced—the minimum necessary to maintain an irreducible component of the country's national security calculus.

Even before 1990, when Congress passed the Pressler amendment cutting off economic and military aid to Pakistan to protest its development of a nuclear program, the genie of nuclear proliferation on the Indian subcontinent was out of the bottle. The much-quoted 1987 interview in which Abdul Qadeer Khan, the chief Pakistani nuclear scientist, verified the existence of Islamabad's bomb simply confirmed what New Delhi had long suspected. The United States, then still engaged in Afghanistan, continued to deny that Pakistan had crossed the nuclear threshold. The explosions at the Chagai Hills on May 28 and 30 testify to the rightness of India's suspicions.

After the tests, India stated that it will henceforth observe a voluntary moratorium and refrain from conducting underground nuclear test explosions. It has also indicated a willingness to move toward a de jure formalization of this declaration. The basic obligation of the CTBT is thus met: to undertake no more nuclear tests. Since India already subscribes to the substance of the test ban treaty, all that remains is its actual signature.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

India has also expressed readiness to participate in negotiations in the Conference on Disarmament in Geneva on a fissile material cut-off treaty. The basic objective of this pact is to prohibit future production of fissile materials for use in nuclear weapons. India's approach in these negotiations will be to ensure that this treaty is universal, nondiscriminatory, and backed by an effective verification mechanism. That same constructive approach will underlie India's dialogue with countries that need to be persuaded of India's serious intent. The challenge to Indian statecraft remains to reconcile India's security imperatives with valid international concerns regarding nuclear weapons.

Let the world move toward finding more realistic solutions and evolving a universal security paradigm for the entire globe. Since nuclear weapons are not really usable, the dilemma lies, paradoxically, in their continuing deterrent value. This paradox further deepens the concern of statesmen. How are they to employ state power in the service of national security and simultaneously address international concerns? How can they help the world create an order that ensures a peaceful present and an orderly future? How are they to reconcile the fact that nuclear weapons have a deterrent value with the objective global reality that some countries have this value and others do not? How can a lasting balance be founded? While humanity is indivisible, national security interests, as expressions of sovereignty, are not. What India did in May was to assert that it is impossible to have two standards for national security—one based on nuclear deterrence and the other outside of it.

The end of the Cold War did not result in the end of history. The great thaw that began in the late 1980s only melted down the ancient animosities of Europe. We have not entered a unipolar order. India still lives in a rough neighborhood. It would be a great error to assume that simply advocating the new mantras of globalization and the market makes national security subservient to global trade. The 21st century will not be the century of trade. The world still has to address the unfinished agenda of the centuries.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Russia's Virtual Economy

Clifford G. Gaddy and Barry W. Ickes

BEYOND THE BAILOUT

THE IMMEDIATE causes of Russia's current financial crisis are clear—a large budget deficit and an inability to service the debt, especially short-term dollar liabilities. Equally straightforward steps to solve these problems have been widely proposed. Moscow is being asked to reduce its budget deficit by collecting more taxes and cutting spending. International financial organizations and Western countries in July pledged an emergency loan package of $17 billion to stabilize the immediate financial crisis and restructure the short-term debt. These measures, it is argued, will allow the government to get back to the business of market reform.

But such measures cannot remedy Russia's economic problems. They are premised on a fundamental, but nearly ubiquitous, misunderstanding of the Russian economy, which goes something like this: Russia showed early success in market reform, but progress has been slowed by widespread corruption, crime, and incompetence. The explosion of barter arrangements and nonpayment of wages and taxes is due to faulty management of enterprises. Poor tax collection has weakened the state. Overcoming these obstacles is a formidable challenge, but if they can be surmounted, movement toward the market can continue.

In fact, most of the Russian economy has not been making progress toward the market or even marking time. It is actively moving in the other direction. Over the past six years, Russian companies, especially in the manufacturing sector, have indeed changed the way they

---

CLIFFORD G. GADDY is a Fellow in Foreign Policy Studies at the Brookings Institution. BARRY W. ICKES is Associate Professor of Economics at Pennsylvania State University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

operate, but to protect themselves against the market rather than join it. What has emerged in Russia is a new kind of economic system with its own rules and its own criteria for success and failure.

The new system can be called Russia's virtual economy because it is based on an illusion about almost every important parameter: prices, sales, wages, taxes, and budgets. At its heart is the pretense that the economy is much larger than it really is. This pretense allows for a larger government and larger expenditures than Russia can afford. It is the real cause behind the web of wage, supply, and tax arrears from which Russia cannot seem to extricate itself.

The virtual economy is robust, deep-rooted, and broadly popular. For those reasons, it has defined a new reform agenda basically aimed at preserving current arrangements. The virtual economy presents the West with difficult choices regarding continued support of Russia's economic transition. The principal motivation for providing bailout funds is a belief not only that more money is required to preserve social and political stability but that strings can be attached to induce more reform. The opposite, however, is true: a bailout will prop up the virtual economy, which is fundamentally not market-based and whose inefficiency will ensure continued economic decline and further crises. A bailout will merely postpone the day of reckoning. When that day comes, the economic consequences and political backlash will be even worse.

REALITY AND PRETENSE

A CLOSE reading of the statistics reveals the reality of the Russian economy. After 8 years of decline, according to the State Statistics Committee, industrial output grew by 1.9 percent in 1997, and GDP increased slightly. But to stop there is misleading. Real profits in industry were down 5 percent last year. Nearly half of industrial enterprises reported losses, up from fewer than 27 percent in 1995.

Fixed capital formation also reflects the economy's true straits. Capital formation fell last year for the seventh year in a row and continues to decline this year. In 1997, overall capital investment in the economy's production sectors—industry, agriculture, transportation, and communications—fell to just 17 percent of the 1990 level. In the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ARCHIVE PHOTOS

Moscow's stock exchange?: An elderly woman barters for fish, Moscow, 1992

core manufacturing sector of metalworking and engineering products, spending on plant and equipment in 1997 was no more than 5.3 percent of what it was only 7 years earlier.

Very few negative signals are being sent about this state of affairs. Bankruptcy is still a rarity. There are more corporate bankruptcies in the United States in a typical month than there were in Russia during all of 1997. It might therefore appear that despite its lagging performance, nothing is changing in Russian industry. But on the contrary, in 1997

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Russian companies had more workers on the payroll at the end of the year than at the beginning.

On top of these problems is the notorious payments arrears crisis. This is a familiar story: enterprises do not pay their suppliers, workers, or taxes. While nonpayment of taxes and wages attracts media attention, it is not the real story. Payments are being made, just not in cash. The share of barter in payments among all industrial enterprises in Russia has now reached more than 50 percent. Last year, 40 percent of all taxes paid to the Russian federal government were nonmonetary. In local and regional budgets, the degree of nonmonetary payments was even higher.

The problem is most widespread in the large enterprise sector. Last year the Karpov commission reported that the country's largest companies conducted 73 percent of their business in barter and other nonmonetary means. Even more remarkable was the way these large enterprises dealt with the tax authorities. They paid 80 percent of the taxes they owed to the federal government—not a bad figure—but only 8 percent in cash. The report summed up the commission's conclusions about the current Russian economy as follows:

> An economy is emerging where prices are charged which no one pays in cash; where no one pays anything on time; where huge mutual debts are created that also can't be paid off in reasonable periods of time; where wages are declared and not paid; and so on . . . [This creates] illusory, or 'virtual' earnings, which in turn lead to unpaid, or 'virtual' fiscal obligations, [with business conducted at] nonmarket, or 'virtual' prices.

In short, what has emerged is a virtual economy.

THE ROOTS OF THE VIRTUAL ECONOMY

THE VIRTUAL economy originated in the largely unreformed industrial sector inherited from the Soviet Union. At its heart are many enterprises that produce goods but take away rather than add value. This sector has survived six years of market reform. The reasons are complex, but the most important is that enterprises can now operate in Russia without paying their bills. This is possible because value is redistributed to them from other sectors of the economy. One way this is done is through tax

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

arrears, which are a form of continued budget subsidies. More important, however, is direct redistribution from the value-producing sectors of the economy, primarily the natural resources sector.

This situation is more a continuity with the past than a break from it. The Soviet economy appeared to be a large industrial economy, when in fact Soviet industry was subsidized by underpriced raw materials and capital. The economy appeared to have a large manufacturing sector that added value; in truth, manufacturing destroyed part of the value of the inputs it used, but arbitrary pricing kept it a secret. The roots of the virtual economy lie in the continuation of this pretense.

When the State Tax Service increased its revenues, wage arrears rose the same amount.

One way to understand Russia's economy is to adopt a simplified model that consists of only four sectors. First is the household sector (H), which supplies labor. Second is a government sector (G), which transfers tax receipts to households. Third is a value-adding, resources-producing sector (R). Last is the value-subtracting manufacturing sector (M), which encompasses the rest of the economy.

Suppose M is a single plant that takes 100 rubles of labor from H and 100 rubles of resources from R and makes a product worth 100 rubles. It subtracts 100 rubles worth of value, but it pretends it is a value-adder. To do that, it overprices its output. It claims it is worth not 100, but 300. And everyone else accepts that pretense because they can use the overpriced output in barter with one another or to pay their own taxes.

M pays R for the resources by giving it one-third of its final product, claiming it is worth 100 rubles. (It is really worth only 33 1/3.) Assuming, for simplicity's sake, that there is a 100 percent tax on value-added, that is fine with R, since it simply passes the product on to G in fulfillment of its tax obligation. M, of course, pays its own taxes—100 rubles—in kind as well.

With respect to households, problems begin to arise. H expects to be paid 100 for its labor but cannot accept in-kind payment, since it cannot consume M's product. It needs cash. But the cash value of M's remaining product is only 33 1/3. Hence wage arrears arise. Similarly, the government budget of 200, which is equal to its tax collections, is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

worth only 67 in cash. Assuming G transfers its budget to H as pensions, pension arrears also kick in.

This model is of course highly stylized, but it captures much of the contemporary Russian economy—not only the wage arrears, but also the unrealistic budget, the pension arrears, and the apparent increased output. Equally important, the four-sector accounting model immediately suggests the futility of various policy measures. Take, for instance, the tax collection crackdown the IMF is urging. The Russian government, under pressure to increase the amount of cash in the budget, is demanding that enterprises settle their tax debts in cash, not in kind. The model makes it clear that such an approach can only mean shifting a given amount of value—too small already to satisfy claims by both government and workers—from one recipient to the other. One's gain is the other's loss. If taxes are paid, wages will not be.

That is what has happened at regular intervals in recent years, including in the first quarter of this year. From January through March, Russia's State Tax Service increased its intake of cash by slightly over five billion rubles (after accounting for inflation). During that same period, enterprises' debts to their workers for overdue wages rose by almost exactly the same amount. In April, in connection with a nationwide day of labor union protest against wage arrears, Russia's Federation of Independent Trade Unions called for an amendment to the civil code to prohibit enterprises from paying taxes before paying their wages. The unions argued that "the government's recent efforts to squeeze more taxes out of industrial enterprises to pay public sector workers was only worsening the problem of private sector wage arrears . . ."

WHY RUSSIANS PREFER IT

THE SYSTEM described above could not survive for long in a market economy, but in Russia it seems to be getting stronger every day. The virtual economy can be compared to what is really happening beneath the pretense. All that is necessary is to assume that no one pretends that the final product of manufacturers is worth more than the 100 rubles it actually is.

The first result is that M would have to report a loss of 100 instead of a profit of 100. It therefore would have no tax obligation. But with sales

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of only 100, M could not pay both R, whom it owes 100 for resources, and H, whom it owes 100 for wages. It would have to apportion the 100 it does have between them. Suppose it pays 50 to H and 50 to R. M thus has wage arrears of 50 and inter-enterprise arrears of 50.

R in turn pays its only earnings, the 50 it receives from M, to G. This leaves R with tax arrears of 50. G's only revenues are what it receives from R, since M has no value added. G then transfers to H the 50 it received from R. This still leaves budget arrears of 50.

The picture is starting to become clear. The table compares the performance of the virtual economy with that of the real economy. On all counts, the virtual economy's aggregate performance indicators—sales, profits, GDP, output—look better than they really are. Once the pretense of the virtual economy is removed, the planned budget (total spending based on expected tax revenues) is only half as large as it appeared to be. But this would mean, for instance, that nominal pensions would be cut in half.

TABLE

THE VIRTUAL ECONOMY VS. THE REAL ECONOMY.

	VIRTUAL	REAL
TOTAL SALES	400	200
TOTAL PROFITS	200	0
PROFIT RATE (PERCENT)	50	0
TOTAL VALUE-ADDED (GDP)	300	100
INDUSTRIAL OUTPUT	400	200
BUDGET SIZE		
PLANNED	200	100
AS IMPLEMENTED	67	50
HOUSEHOLD INCOME		
ACCRUED	300	200
ACTUAL	100	100
ARREARS		
WAGE	67	50
INTER-ENTERPRISE	NONE	50
TAX	NONE	50
BUDGET	133	50

The arrears picture differs as well. Total arrears are the same in both the real and virtual economies. But note that two new types of arrears arise when the virtual economy's pretense is eliminated. Now R has a tax debt and M has inter-enterprise arrears to R. The web of mutual indebtedness is even more entangled than in the virtual case.

Perhaps more important than any aggregate indicator, however, is how elimination of the virtual economy would affect manufacturing. The virtual economy masks the nonviability of the value-subtracting

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

manufacturer. In the virtual economy, M appears to add value of 100. In fact, M is clearly in the red.

In sum, none of the participants in the virtual economy would appear to gain by its elimination. Any attempt to expose the truth about the virtual economy would be widely unpopular. It would mean slashing pensions, branding the value-adding sector as tax delinquent, and threatening the bankruptcy of manufacturing enterprises and the loss of the jobs and wages they provide.

This in turn emphasizes the key point brought out by the model. The virtual economy has arisen for two fundamental reasons: most of the Russian economy, especially its manufacturing sector, takes away value, and most participants in the economy pretend that it does not. Barter, tax arrears, and other nonmonetary methods of payment turn out to be the main mechanism used to sustain the pretense. The pretense is what causes all the nonpayment difficulties. There is less value produced than there are claims on it.

DESPERATE FOR CASH

THE RELATIONSHIP between the noncash virtual economy and the cash-based market economy is a curious one. To some extent, the system is driven by an active effort to avoid cash because cash transactions expose the pretense. But there are other reasons to avoid cash. Cash is costly to earn and costly to keep. The tax authorities might be less likely to accept noncash payments from an enterprise holding a lot of cash. Cash is also vulnerable to extortion by organized crime. At the same time, the system dictates a certain minimum requirement for cash, called the cash constraint.

Most urgently many enterprises must sell their products for cash in order to pay wages. This explains the ironic feature of the virtual economy that while it is itself a nonmarket system, it depends upon the market. It is only the market that allows some of the economy's product to be realized for the cash needed to pay workers. (In the Soviet Union, both labor and wages were centrally allocated.) Some of the product can be sold inside Russia. But the main source of cash is outside, on the world market.

Since 1992, growth in exports has been regarded as a successful part of Russia's transition. It has generally been assumed that export

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Want to Put *Foreign Affairs* in Order?

Handsome, black simulated-leather cases with gold embossed lettering hold a year's worth of Foreign Affairs neatly in order, keeping your collection accessible and protected. Order cases for all your back issues. They also make excellent gifts for friends who share your interest in *Foreign Affairs*.

Each case is $8.95, 3 for $24.95, and 6 for $45.95. (Please add $1.50 per unit for shipping and handling, $3.50 per unit outside the continental United States.)

Call toll free 1-800-825-6690.
Or mail your check to *Foreign Affairs*, c/o Jesse Jones Industries, Dept. 96 FA, 499 East Erie Avenue, Philadelphia, PA 19134

THE JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION

Research and Writing Grants

The Foundation's Program on Global Security and Sustainability announces an annual competition for grants for Research and Writing. Grants are available for projects in any discipline or profession that promise to illuminate the dynamics of international security and sustainability. Applicants may request up to $75,000 for individual projects, or $100,000 for two-person collaborations. Projects related to the research or writing of the doctoral dissertation are not eligible. Awards will be announced in September. Projects may be scheduled to begin as early as October 1, 1999. For further information about these grants and a brochure describing how to apply, please contact the Program on Global Security and Sustainability at:

The John D. and Catherine T.
MacArthur Foundation
140 South Dearborn Street
Chicago, IL 60603 US
(312)726-8000
e-mail: 4answers@macfdn.org
http:\\www.macfdn.org

Application Deadline: February 1, 1999

Modern Editions of Classic Works for Readers Today

THE STORY OF LAW
Expanded Second Edition

By John M. Zane
Foreword, annotations, and bibliographies by Charles J. Reid, Jr.

Written for the layman as well as the attorney, ***The Story of Law*** is the only complete outline history of the law ever published. Moreover, ***The Story of Law*** has well been termed "the perfect book for introducing the beginning law student to the origin and history of the law." John M. Zane lucidly describes the growth and improvement of the law over thousands of years, and he points out that an increasing awareness of the individual as a person who is responsible for decision and action gradually transformed the law. Professor Charles J. Reid, Jr., of Emory University School of Law, has contributed an unsurpassed forty-page "Selected Bibliography on Legal History" that will be of enormous interest to academics, students, practicing attorneys, and general readers alike.

John M. Zane (1863–1937) was a distinguished attorney.

Charles J. Reid, Jr., is a Professor of Law at Emory University School of Law, Atlanta.

599 + xxvi pages. Illustrations, foreword, introduction, appendix, bibliographies, index.

Hardcover	$27.00	0-86597-190-0
Paperback	$16.00	0-86597-191-9

(Indiana residents add 5% sales tax)

Call 800-955-8335
Fax 317-579-6060
or write:

Liberty Fund INC

We pay UPS shipping on prepaid orders.

8335 Allison Pointe Trail, Suite #300, Dept. FOR8, Indianapolis, IN 46250
Explore Liberty Fund's catalogue on the World Wide Web at
www.libertyfund.org

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LOCATING CONSENSUS FOR DEMOCRACY

A TEN-YEAR U.S. EXPERIMENT

NEW!

430 PAGES, PAPERBACK FROM
AMERICANS TALK ISSUES FOUNDATION

PROMISING RESULTS SHOW SOCIAL SCIENCE'S POTENTIAL FOR "PUBLIC INTEREST POLLING"

Mathematician, entrepreneur Alan F. Kay, called "America's Patron of Polling" by the *Washington Post*, lays bare the "disconnect" between Washington policy makers and the American people – and demonstrates how it can be bridged, practically, inexpensively, by using off-the-shelf technology with enhanced polling methods.

A boon to policy makers, reformers and citizens in the U.S.A. and every emerging democracy worldwide.

Alan Kay offers a fresh perspective on the need for citizen participation in government. He has correctly identified a disconnect between the public and institutions.
– David Mathews, President, Kettering Foundation

A great book, and ultimately an encouraging one, with its demonstration of how the common sense of American citizens somehow survives the manipulation it receives.
– Ambassador (retired) Jonathan Dean, Union of Concerned Scientists

This book is in the great tradition of American populism. It combines a deep and genuine concern for people with the best scientific practice and technology.
– Lord Meghnad Desai, Professor, London School of Economics

Congratulations on LOCATING CONSENSUS FOR DEMOCRACY!
– Professor Roger Fisher, Director, Harvard Negotiation Project

I have worked with no one more dedicated to finding out the true issue positions of the public. He is to be greatly commended for showing us the way to the democratic consensus that does, indeed, exist out there.
– Frederick T. Steeper, pollster for President Bush

Alan Kay has made five discoveries that make LOCATING CONSENSUS FOR DEMOCRACY one of the most important books of a troubled decade.
– Elise Boulding, Professor Emerita of Sociology, Dartmouth College

A wry look at the way politics and the democratic process work (and don't work) by a thoughtful and experienced citizen who suggests important ways to improve it all.
– Senator Alan Cranston (Democrat, California, 1968–1992)

Kay is a genuine pioneer in public interest polling, he has performed a great service to us all.
– Charles Lewis, The Center for Public Integrity, former producer for CBS "60 Minutes"

$29.95 U.S. *(UPS Ground and sales tax included)* **To order, call: 1-888-887-0101**
Or, fax: 904-826-4194 Or, online: www.publicinterestpolling.com

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

growth meant that a large part of Russia's economy was meeting the ultimate market test. In fact, many Russian exports lose money. But for participants in the virtual economy, the goal of exporting is not profit, but cash. The losses they incur are considered a necessary cost of staying in business.

Households in the virtual economy operate with a similar logic. They allocate effort between working in manufactures and earning cash on their own or otherwise sustaining themselves through activity not directly connected to the system, such as street vending and gardening. These sorts of activities are good for the virtual economy in that they reduce the minimum amount of cash that has to be supplied to households from within the system.

Finally, the minimal amount of cash in this system does not mean cash is irrelevant in Russia. On the contrary, in the land of the cashless, the man with pocket change is king, or at least an oligarch, as Russian capitalists and financiers are called. Some Russian capitalists certainly have more than pocket change, but in international terms they are not particularly wealthy. Oneximbank, headed by Vladimir Potanin, perhaps the most famous of the financial barons, would not rank among the top 100 banks by size in the United States. The combined size of Oneximbank and one of its chief rivals, Menatep, is smaller than that of the medium-sized Centura Banks in Rocky Mount, North Carolina. It is the Russian tycoons' relatively cash-rich status in a cashless economy that gives them so much power.

THE REAL COSTS

THIS SYSTEM has a number of significant negative consequences. But three main areas have been affected: enterprise restructuring, measuring economic performance, and the public sector. The effect on enterprise restructuring is the most obvious. Even those admittedly few enterprises that probably could restructure and become viable in the marketplace have not done so because it would be costly and because they can muddle along as they are.

The effect on apparent aggregate economic performance, such as GDP and output, has already been suggested. Depending on the form of payment used, output in the virtual economy is overpriced by a factor

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of two or three (for barter transactions) and up to five (for sales made against promissory notes). Since the reported value of the nation's economic product is based on these inflated prices, Russia's GDP may be even smaller than official figures suggest, even after taking into account the underreporting of the hidden economy. At market exchange rates, Russian GDP in 1997 was about $466 billion, or no more than 6 percent of U.S. GDP. Its year-to-year growth is also exaggerated. When value-subtracters increase their output it is bad news, even though in the virtual economy it shows up as increased GDP. Russia's statistics agency has reported that GDP grew by 0.8 percent in 1997. The extra value-added it reports is almost surely virtual.

The new government is shaping market reform to shore up money-losing enterprises.

The effect on the public sector may be the most important of all. The virtual economy changes the very nature of the budget. A budget should be a plan of priorities for public spending. In a democracy, the reason for a budget to be debated and adopted by the legislature is to decide democratically what society's priorities are. Because cash allows full freedom and flexibility in meeting the needs defined in the budget, it ensures maximum efficiency and equity. Payment of taxes in kind upsets this function.

The Chelyabinsk subway story is a good illustration of how fortuitous tax obligations by certain companies have distorted public policy priorities. On March 23, the governor of Chelyabinsk province, Pyotr Sumin, declared the construction of a subway system in the city of Chelyabinsk to be one of the most important construction projects in the region. The project is being financed by the tax debt of construction companies to the federal, provincial, and local governments. Construction companies in Chelyabinsk were deeply in arrears on their taxes to the local and federal government. At the same time, the federal government owed Chelyabinsk funds but was late with disbursement. The local government was more or less forced to accept the construction companies' offer of a big project in lieu of payment, while the federal government canceled the companies' tax arrears in lieu of a federal contribution to Chelyabinsk. The end result is a subway. It does not matter that in Chelyabinsk, as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

throughout Russia, hospitals and schools are in disrepair and that teachers, nurses, and doctors are not being paid. When goods are delivered in kind as tax offsets, it is a seller's market.

THE GOVERNMENT'S ROLE

THE VIRTUAL economy is not entirely detrimental. In the most general sense, it is Russia's social safety net. The most important contribution it makes is jobs, albeit at minimum wages. Because of this function, Russia has enjoyed social stability. Wage arrears rose to an all-time high in the first quarter of this year, but during the month of March only 70 officially declared strikes—those lasting longer than one day—took place in the entire country. Of those, 22 were in industry, involving 7,700 workers out of a total of more than 15 million. By April 1, only 7 of those strikes were still under way.

But there are limits to this stability. In May coal miners staged a nationwide protest over wage arrears. They blocked passenger and freight trains and desisted only when the government again promised to pay back wages. The coal miners' strike underscored the government's role as arbiter in the virtual economy. To pay the miners' wage arrears required shifting value away from some other purpose, as Boris Yeltsin recognized when he noted at the height of the May crisis that miners were no more deserving than teachers or others whose wages were also in arrears. Since the virtual economy constantly produces expectations that cannot be met for everyone, government must step in as referee.

The second task that falls to the government is making the system more efficient by reducing leakage of value, which raises the cost of operating the virtual economy. Leakage takes several forms. It can be legal or illegal, sanctioned or unsanctioned. The value that leaks out may stay inside the country or may be transferred abroad through capital flight. The most important distinction, however, is whether the leakage is good or bad for the system. Good leakage is a cost necessary for keeping some participants in the game. In the four-sector model of the Russian economy, the resource sector contributes all of the value it produces to the system. Supposing this value-adding sector consists of a privatized gas company, say Gazprom, the owners would

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

prefer to export all the gas for hard currency. But this is politically impossible. In practice, Gazprom is legally permitted to export a certain share of its gas to keep it performing its role in the system.

While some leakage is thus good for the virtual economy, other leakage is not, such as the theft of wage funds, which makes it more difficult to meet minimum cash requirements. Viewed in the context of leakage, the relationship between fighting corruption and economic reform can be turned on its head. Reducing corruption is typically considered a key element in accelerating economic reform. But if reducing corruption in Russia's virtual economy results in less leakage, more value remains to support the continued operation of loss-making enterprises.

MOSCOW'S IDEA OF REFORM

RECOGNIZING GOVERNMENT'S role in the virtual economy is critical for understanding recent political events. Improving the administration of this system is what is now being defined as reform in Moscow and throughout the country, in rather sharp contrast to what those in the West may believe. The government sworn in in April is thoroughly conversant with the virtual economy, much more than it is with the market. The heralded group of young reformers in Moscow—Prime Minister Sergei Kiriyenko, the former banker and oil executive, and his three deputies, Boris Nemtsov, former governor of Nizhny Novgorod, Oleg Sysuyev, former mayor of Samara, and Viktor Khristenko, a regional administrator in Chelyabinsk—are to a man sons of the Russian rust belt, the large industrial cities of the Ural Mountains and the Volga River valley that are home to the virtual economy. The local governments, banks, and oil companies in which the reformers served before coming to Moscow were all active and willing players in their regional virtual economies.

The new government is shaping what the West regards as instruments of market reform to serve the purposes of the virtual economy. Take, for instance, the institution of bankruptcy. The new cabinet announced in May that it will initiate bankruptcy proceedings against directors of state-owned enterprises who fail to "pay wages, keep jobs, and pay taxes," in Khristenko's words. They will, he said, be replaced with "more efficient" managers. In other words, contrary to practice

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in a market economy, bankruptcy in the new, reforming Russian economy does not mean selling off an unviable enterprise to new owners who restructure, cut costs, and turn a profit. Rather, it means plugging leaks of value from the system.

A perceptive Russian journalist, Yuliya Latynina, wrote last year that "Russian directors are not divided into those who steal and those who do not steal. They are divided into those who steal *from* the plant and those who steal *for* the plant." The reform program of the Russian government means replacing the manager who steals from the enterprise with one who steals for the enterprise—that is, one who does not abuse his position for his own personal benefit at the expense of his labor force and the good of the entire system.

Tax reform should be viewed in the same light. When tax reform means trying to collect more cash from insolvent enterprises, it is doomed to fail and will be detrimental to social peace. However, when tax reform means collecting taxes from those who actually have the means to pay, it may mean reducing leakage from the virtual economy. It will thus help to sustain it rather than reform it.

THE WEST'S RESPONSE

How should the West react, as it is once again called upon to provide emergency funds for Russia? The first step is to acknowledge the existence of the virtual economy and the fact that the West has been complicit in its emergence. It could not have developed to the extent it has, and arguably might not have become as corrupt and inefficient as it has, unless over $70 billion had been infused from the outside since 1992. It is futile to think that today, six years later, the West can force the Russians, as a condition for aid, to put themselves through the wrenching process of dismantling this system. They would not accede to such a demand and the attempt to foist it upon them would damage the West severely in the eyes of ordinary Russians.

Two choices remain. The first, which the West appears to have chosen for now, is to concentrate on keeping Russia stable in the short term by bailing out the virtual economy. The West should be aware of the price for itself and for Russia: further consolidation of a backward,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

noncompetitive economy, guaranteeing the need for a succession of emergency bailouts in the future.

The second option is to stop financing such a costly dead end and refuse a bailout. Here, too, the consequences must be weighed. Without a bailout, the ruble's value could probably not be maintained against the dollar. Foreign capital would flee the equity markets and, most important, the domestic government debt market. Russia would have more difficulty borrowing from abroad. All of these events would have some immediate negative effects on the Russian economy. But none of them would be calamitous. More important is that in the longer run the effects would be salutary.

The most direct impact of a ruble depreciation would hit those with large dollar-denominated liabilities. The largest commercial banks would be in the most difficult straits, and some would fail. But nearly 80 percent of Russian households' bank deposits—and disproportionately more for lower-income households—are in the state savings bank, Sberbank, which would be relatively immune. The demise of some commercial banks would certainly have an adverse impact on the economy, but it would not cause a collapse in the monetary system, primarily because about half of transactions already take place outside it. One major result of a banking collapse would be a decline in the power of the banking oligarchs. But it is not clear that is all bad.

What about inflation? The past three years' battle against inflation seems to have been a success. As late as May 1995, inflation was raging at over 200 percent a year; by May of this year it was down to an annual rate of 7.5 percent. A return to the continuous price rises of 1992-95 would be unfortunate, but a revival of inflation would depend on more than a depreciation of the ruble. The crucial factor in avoiding a resurgence of inflation is maintaining the Central Bank's policy of not printing money to cover budget deficits.

Here, too, the key is to abandon pretense. Until now, the government's success in reducing inflation has involved something of a subterfuge. Beginning in mid-1995, it replaced its previous habit of monetizing the deficit with a less visible evil: massive borrowing, at home and abroad, to make up the budget shortfalls. Its debt instrument of choice has been treasury bills. The result has been a rapid buildup of around $70 billion in short-term domestic debt, an amount nearly as great as the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

total taxes collected in cash during that same period. This three-year borrowing spree is a big part of the problem that led to the current crisis. It is now apparent that the only way Russia can avoid monetizing its deficit (and thus producing inflation) is by borrowing at interest rates that are increasingly infeasible. Currently, more than half of the federal government's cash tax revenues go to pay interest on the national debt. By fall, that level could rise to 70 percent. Russia faces the dilemma of inflating now or later. The longer Russia waits, the more debt it piles on and the greater the inflation that inevitably comes. On that count alone, a depreciation can help rather than hurt because it will make it more difficult for Russia to borrow to finance current deficits. Currency risks that have been underappreciated will now raise the cost of external borrowing. Domestic debt will also become more expensive, given that much of the increase in treasury debt during 1997 was purchased by foreign investors. By raising the cost of finance, depreciation will make more apparent the true state of Russia's public finances. If Russian economic policy is currently addicted to borrowing, then cutting off the supply of credit may be the best way to kick the habit.

This proposal is not a magic bullet. It is merely the better of two bad alternatives. Refusing a further bailout will not in itself guarantee any good results, and it will have some bad ones. It will of course save the money that would otherwise go toward refinancing Russian debt. But more important, it would finally place responsibility for Russia's economic future on Russians themselves. By abandoning the pretense that aid is contingent upon adoption of market reform, since it has not been and cannot be, the West would send Russians the message that the choices they make on economic policy are theirs alone: You appear to have chosen the virtual economy. Fine, stick with it if you like. But do not expect the West to remain complicit in a pretense that makes your economy progressively poorer. Denying Russia a bailout is not without risks. But bailing out the virtual economy is sure to increase those risks for the future.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In Defense of Japanese Bureaucracy

Peter F. Drucker

A HERETIC'S VIEW

AMERICAN POLICY on Japan, especially during Asia's economic crisis, is based on five assumptions that have become articles of faith for most American policymakers, Japan scholars, and even a good many business executives. But all of them are either plain wrong or, at best, highly dubious:

1. The government bureaucracy's dominance is assumed to be unique to Japan, like its near-monopoly on policymaking and its control of business and the economy through "administrative guidance."

2. Reducing the bureaucracy's role to what it should be—"the experts on tap but not on top"—would not be that difficult. All that is needed is political will.

3. A ruling elite like the Japanese bureaucracy is both unnecessary in a modern developed society and undesirable in a democracy.

4. The Japanese bureaucracy's resistance to "deregulation," especially now in the financial sector, is nothing but a selfish clinging to power that will do severe damage. By delaying the inevitable, it can only make things worse.

5. Finally, the Japanese—they are intelligent people, after all—put the economy first, as we do.

The right assumptions about Japan, however, are:

1. Bureaucracies dominate almost all developed countries. The United States and a few less populous English-speaking countries

---

PETER F. DRUCKER is Clarke Professor of Social Science at Claremont Graduate University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such as Australia, New Zealand, and Canada are the exceptions rather than the rule. Indeed, the Japanese bureaucracy is a good deal less overbearing than that of some other developed countries, particularly France.

2. Bureaucratic elites have far greater staying power than we are willing to concede. They manage to keep power for decades despite scandals and proven incompetence.

3. This is because developed countries—with the sole exception of the United States—are convinced that they need a ruling elite, without which they fear social disintegration. As such, they cling to the old elite unless there is a universally accepted replacement, and no such replacement is in sight in Japan.

4. Their experience has proven to the Japanese that procrastination works. Twice during the last 40 years, Japan has overcome major and apparently insoluble social problems not by "solving" them but by delaying until, in the end, the problems evaporated. The procrastination strategy will probably fail this time, considering the shaky structure and solvency of Japan's financial system. Given Japan's earlier experiences, however, procrastination is not an irrational strategy.

5. In fact, it is the logical strategy since for the Japanese policymaker—whether politician, civil servant, or leading business executive—society comes first, not the economy.

DESCENDING FROM HEAVEN

"DESCENT FROM heaven"—the Japanese term for the practice whereby senior civil servants, having reached their terminal government position around age 45 to 55, become "counselors" to big companies—is seen in the United States as uniquely Japanese. The shift is considered the most visible manifestation of the dominance, power, and privilege of the Japanese bureaucracy. But it is actually a universal custom in all developed countries, including the United States.

To use a personal example, my father was the civil service head of the Austrian Ministry of Commerce just after World War I. When he retired in 1923, not yet 50, he was promptly appointed chairman and CEO of a big bank, as were his predecessor and his

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

successor. So were their counterparts in the Ministry of Finance. Senior Austrian civil servants in key ministries "descend from heaven" to this day.

Japanese counselors who descend from heaven are well paid, but the job is a sinecure. They are usually not even expected to show up at the company's office except to collect their paychecks once a month. By contrast, in most European countries these "retiring" civil servants move into real jobs, as did the Austrian civil servants who became bank CEOs.

Whether this is wise or foolish is beside the point. Such practices are universal. In Germany the second-tier civil servant who will not make it into a top position in a ministry becomes secretary-general of an industry association, a job that not only pays well but has real power. Membership in such associations is compulsory in Germany, and all but the very largest companies must conduct their relations with both government and labor unions through them. If the civil servant is a Social Democrat he gets a similar job—equally well paid and powerful—as chief economist or secretary-general of a labor union. In France, the civil servant who has reached the exalted position of *inspecteur de finance,* usually around age 40 or 45, moves into a top position in industry or finance. Almost every power position in the French economy and society is filled by a former *inspecteur de finance.* Even in the United Kingdom, it remains customary for the top civil servant in a major ministry to chair a big bank or insurance company after his retirement.

In the United States, too, "descending from heaven" is anything but unknown. Scores of generals and admirals have, upon retirement, taken senior executive positions in defense and aerospace companies. An even larger number of congressional staffers and political appointees in the upper and middle levels of executive agencies—together, Washington's ruling elite—routinely come from on high to become well-paid lobbyists or partners in Washington law firms.

Even at the peak of its power circa 1970, the Japanese bureaucracy still had less control of business and the economy than its European counterparts. In both France and Germany, the government directly owns large chunks of the economy. A fifth of Europe's largest automobile producer, Volkswagen, is owned by the state of Saxony, giving

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

it absolute veto power. Until quite recently, the French government owned most of the country's major banks and insurance companies. The same is true in Italy, the third-largest economy on the continent. Japan, by contrast, owns almost nothing of the economy besides the Postal Savings Bank. Where the Japanese make do with "administrative guidance," or control through persuasion, the Europeans rely on *dirigisme,* direct decision-making power as owners and managers, for good or ill.

ELITES RULE

How difficult could it be to curtail the Japanese bureaucrats' power? After all, the bureaucracy's record is dismal. It reeled from one failure after another for the past 25 years. It failed miserably to pick the winners in the late 1960s and early 1970s, choosing instead such losers as the mainframe supercomputer. As a result, Japan today lags far behind in the information industry and in high-tech altogether.

The bureaucracy failed again in the 1980s. Panicked by a mild recession, it plunged Japan into the wild excess of the speculative fiscal bubble and with it into the present financial crisis. "Administrative guidance" pushed banks, insurance companies, and businesses into stock and real estate investments at insanely inflated prices and into the worst kind of problem loans. When the bubble burst in the early 1990s, the bureaucracy could not get Japan's economy going again. It poured unprecedented amounts of money—far beyond anything the U.S. government tried during the New Deal—into attempts to raise stock prices, real estate prices, consumption, and capital investment, all without any effect. In 1997, the bureaucracy followed that up by totally failing to anticipate the financial crisis in mainland Asia. It still urged Japanese banks and industry to invest more money in Asia even after mainland economies began to totter.

Since then, the bureaucracy has been revealed to be riddled with corruption, even prestigious agencies such as the Bank of Japan or the Ministry of Finance. This cost the bureaucrats their claim to moral leadership. Even the bureaucracy's staunchest supporters, the big companies, have turned against it. Big business' organization, the Keidanren, is now calling for deregulation and clipping the bureaucracy's wings.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Yet nothing happens. Worse, even the tiny, timid, token gestures by politicians to assert control over the bureaucracy, like kicking a powerful bureaucrat upstairs, are quietly reversed a few weeks later. There is, Americans argue, something unusual going on, something "exceptionally Japanese."

But ruling elites—especially those which, like Japan's, are based not on birth or wealth but on function—have remarkable staying power. They remain in power long after they have lost credibility and public respect. Consider the French military. This ruling elite's pretensions were shattered when the Dreyfus scandal of the 1890s showed it to be corrupt, dishonorable, dishonest, and bereft of the "military virtues" that underlie an army's claim to social leadership. Yet it held onto power, even after its abysmal incompetence in World War I proved it capable only of senseless mass slaughter. Totally discredited, especially in the years of widespread West European pacifism after the Great War, it had enough strength in 1936 to defeat an attempt by Léon Blum's government to shift power to a civil service elite. Teaming up with the French communists, the military forced Blum from power. And in 1940, even after it had again proven its utter incompetence by inflicting on France the most humiliating defeat the country had ever suffered, the French military still had enough power to make the Vichy collaborators choose the least discredited of France's military leaders, the nearly senile Marshal Pétain, to win legitimacy and widespread popular support for their puppet regime.

The extraordinary ability of a ruling elite to stalemate any attempt to unhorse it is by no means a Japanese phenomenon. Developed countries, especially developed democracies, are convinced that they need a ruling elite. Without it, society and politics disintegrate—as, in turn, does democracy. Only the United States and the few smaller English-speaking countries are immune to this certainty. American society has not had a ruling elite since the early years of the nineteenth century. Indeed, as almost every foreign observer of America since Tocqueville has remarked, the truly unique feature of U.S. society is that every group feels itself unappreciated, disrespected, if not discriminated against—a feature many consider the country's greatest strength. But America is the exception. Japan is the rule. In all major developed countries other than the United States, it is considered self-evident that without a ruling elite there can be neither political stability nor social order.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Consider Charles de Gaulle and Konrad Adenauer. Both had been outsiders rejected by the ruling elites of their societies—the French military and German governmental service, respectively. Despite their talents, they were denied preferment and power. De Gaulle did not make general until World War II broke out and even then got only the command of a small brigade. Adenauer was generally recognized as the country's most adroit politician and as an exceptionally able administrator, but he was never offered a cabinet appointment, let alone the chancellorship, for which he was clearly vastly more qualified than Weimar's mediocrities. Both men were bitter about their rejection by the elite, of which both were openly contemptuous. Yet both, upon winning power after the war, immediately set about creating a new ruling elite.

Developed countries need ruling elites to survive, and Japan's elite is its bureaucracy.

One of de Gaulle's first acts upon becoming president in 1945 was to make a new French civil service the elite it is today by melding a fractured mess of competing bureaucracies into one centrally controlled body, giving the civil servants control of all major positions in government and the economy, making the *inspecteurs de finance* all-powerful, and, finally, creating a new credential, graduation from a new elite school, the École Nationale d'Administration. Out of it, for the last 40 years, has come almost every social, political, or business leader in France, including, of course, practically all *inspecteurs de finance.*

When Adenauer became Germany's chancellor in 1949, he inherited a discredited, demoralized civil service deeply tainted by its subservience to the Nazis. Adenauer immediately set out to restore its elite status. He had himself been twice imprisoned by the Nazis, but despite heavy pressure, especially from the British and Americans, he shielded the civil service from de-Nazification. He restored its job security and the privileges the Nazis had abolished and gave it unprecedented freedom from interference by local politicians. Adenauer thereby gave the German civil service elite greater status than it ever had before, and this time it was not outranked by the military, as it had been under the kaiser and even in the Weimar Republic.

Both de Gaulle and Adenauer were denounced as undemocratic, and both responded by asserting that a modern society—and especially

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a modern democracy—disintegrates without a ruling elite. They had a point. In Weimar Germany, for one, the military was discredited by the defeat in World War I, although it did retain a veto. The civil service, which before 1918 had run a weak second to the army, was bitterly divided over whether to accept the republic. The new groups on the public stage, such as business leaders and professionals, were still seen as upstarts. The resulting absence of an accepted ruling group proved critical to the disintegration of Weimar. To take another example, the absence of a ruling elite surely has had something to do with Italy's political paralysis and social anomie.

The ruling elites that developed countries need to survive do, of course, cling to power. All rulers do. But elites can maintain themselves in power only because no replacement is in sight. Until such an alternative is provided—and it apparently takes a de Gaulle or an Adenauer to do so—the ruling elite will stay on, even if it is totally discredited and dysfunctional.

No replacement is in sight in Japan. The military, historically the ruling elite (indeed, the militarist regime of the 1930s was largely a replay of the shogunates, the military dictatorships that ruled Japan for most of its history), enjoys no public support whatsoever. Big business now commands unprecedented public respect, but it would not be accepted as society's ruling elite. Nor would the professoriate or professionals. So far the bureaucracy, no matter how discredited, is the only group that fits the bill. Whether America's policymakers like or dislike these facts is irrelevant. They are facts. American policy toward Japan must be based on the assumption that the bureaucracy will remain for the foreseeable future Japan's ruling elite, or at least its most powerful one—"deregulation" or not.

A POLICY ABOUT NOTHING

JAPAN'S RULING elite does not behave like its rough equivalents in America. American elite groups are political: executive branch appointees and congressional staffers (both, incidentally, uniquely American phenomena alien to the rest of the developed world). But the ruling group in Japan is a bureaucracy, and it acts like one.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Max Weber, the great German sociologist who identified bureaucracy as a universal phenomenon, defined its function as codifying its experiences and converting them into rules of behavior. Three formative experiences in the collective memory of today's Japanese bureaucracy, two successes and one failure, provide the basis for its actions, especially in a major crisis.

The first success was not intervening in the most serious social malady of post-1945 Japan: the problem of an unemployed and unemployable rural majority. Today working farmers in both the United States and Japan make up no more than 2 or 3 percent of the work force. In 1950, more than 20 percent of U.S. workers were farmers, but in Japan some 60 percent of the population was still living on the land, earning at best a bare subsistence. Most Japanese farmers in the early 1950s were utterly unproductive. Yet the bureaucracy successfully resisted all pressures to have government do anything about the farm problem. "Yes," it in effect admitted, "this enormous and totally unproductive overpopulation on the farms is a tremendous obstacle to economic development. Yes," it conceded, "subsidizing these farmers for producing nothing heavily penalizes the Japanese consumer at a time when most Japanese city dwellers are barely earning enough to pay for necessities." But doing anything to encourage farmers to move off the land or become more productive (which, in many cases, would have meant growing new crops like sorghum or soybeans, or moving out of growing rice and into breeding chicken and livestock) might cause serious social disruption. The only sensible thing to do, the bureaucracy argued, is absolutely nothing—and that is what it did.

Economically, Japan's farm policy has been a disaster. Agriculturally, Japan is worse off than any other developed country. It pays its remaining farmers as much in subsidies as do other developed countries, including the United States, but unlike the others, Japan now needs to import more of its food than ever before—more than any other major developed country. But socially, doing nothing has been a huge success. Japan has proportionately absorbed more former farmers into the urban population than any other developed country without the slightest social disruption.

The second great success of the Japanese bureaucracy was also a case of studied inaction: not tackling the problem of retail distribution. In

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the late 1950s and early 1960s, Japan had the most antiquated, expensive, and inefficient distribution system in the developed world—more eighteenth-century than nineteenth-century. It consisted of thousands of "mom-and-pop" shops—tiny holes in the wall with such enormous costs and outrageously high margins that each sold barely enough to let the owners scrape by. Economists and business leaders warned that Japan could not have a healthy modern economy until it had an efficient distribution system. The bureaucracy, however, refused to help. On the contrary, it passed regulation after regulation to slow the growth of modern retailers like supermarkets and discounters. "Economically," the bureaucrats agreed, "the existing retail system is an enormous drag. But it is Japan's social safety net. A person who loses his job or is retired at age 55 with just a few months' severance pay can always get a job at subsistence pay in his cousin's mom-and-pop shop." After all, Japan at that time still had no unemployment insurance or pensions.

The great formative experiences of Japan's bureaucrats taught them inaction's value.

Forty years later, the problem of retail distribution has disappeared, both socially and economically. The mom-and-pop shops are still there, but most, especially in the larger cities, have become franchisees of big new retail chains. The dank old stores are gone. Today's small shops are clean, well-lit, centrally managed, and computerized. Japan may well now have the world's most efficient and cheapest distribution system, and mom and pop now earn good money.

The third formative experience of the Japanese bureaucracy—unlike the first two, a gross failure—also taught it not to act. Indeed, this failure resulted from violating the above lessons and disregarding the wisdom of procrastination and delay. In the early 1980s, Japan had what in most parts of the world would not even be considered a recession but a mild slowdown in economic and employment growth. But this slowdown coincided with the uncoupling of the fixed dollar-yen exchange rate and a rapid fall in the exchange value of the U.S. dollar that panicked export-dependent Japan. The bureaucrats caved in under the resulting public pressure and became Western-style activists. They poured huge sums into attempts to stimulate the economy. Disaster ensued. The government began

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to run up larger budget deficits than most developed countries; the stock market boomed crazily, driving prices up to price-to-earning ratios of 50 to 1 or higher; there was an even wilder boom in urban real estate prices; and banks, swamped by money for which there were no solid borrowers, lent frenetically to speculators. The bubble burst, of course—the present financial crisis is its legacy—with banks, insurance companies, and thrifts drowning in stock market and real estate losses and uncollectable problem loans.

Subsequent events only confirmed the bureaucracy's conviction that procrastination is wiser than action. For again, in the last two years, due in some measure to pressure from Washington, Japanese politicians and public opinion have pushed the government to pour larger amounts of money into the economy than any other Western country, to absolutely no avail.

THE SOCIAL CONTRACT

THE WAY the Japanese bureaucracy is now tackling—or, rather, not tackling—the Japanese banking system's crisis is commonly seen by Westerners as mere political cowardice, especially by official Washington: the U.S. Treasury, the World Bank, and the International Monetary Fund. But to Tokyo's ruling coterie, procrastination and delay appear the only rational policies.

No one knows yet how much Japanese financial institutions have suffered from the bursting of the bubble. On top of their domestic losses now loom huge additional losses inflicted by the economic crisis in other Asian countries—South Korea, Thailand, Indonesia, and Malaysia—where Japan's banks were by far the heaviest lenders, as they have also been to China.

Japan faces the largest financial crisis of any developed country since World War II. According to an estimate last May in *Business Week*, the Japanese banking system will eventually have to write off domestic losses of about $1 trillion, not including losses on loans and investment elsewhere in Asia. This sum handily tops even the highest estimate of the losses incurred in the U.S. savings and loan debacle 15 years ago, and this in an economy barely half the size of America's. It amounts to a stunning 12 percent or so of the funds of all Japanese financial institutions.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Even more serious—and much harder to handle—are the banking crisis' social threats. The entire Japanese financial system is already being radically downsized. Japan is grossly overbanked, not so much in the number of institutions as in the number of bank branches, which are both ubiquitous and heavily overstaffed. Japanese and American financial experts estimate that Japan's commercial banks employ three to five times as many people per thousand transactions as do American or European banks. This has made the banking system one of Japan's largest employers, as well as its highest-paying. Most of the redundant though well-paid employees are middle-aged people with limited skills who would find it hard to get other jobs if laid off. Unemployment in Japan has already risen to the highest levels in 40 years—above 4 percent by the official count, and if Japan used American or European definitions of unemployment, it would be 7 or 8 percent. Only 2 years ago the official unemployment rate was still below 3 percent.

Unlike America, Japan places society ahead of the economy.

Even graver than the threat of unemployment is the threat to the country's social contract, especially the job security of lifetime employment. If the banks laid off large numbers of people, the social contract would shatter. The seriousness with which the Japanese view the social aspects of the crisis is shown by the lengths to which they will go to preserve a few jobs. They took the virtually unthinkable step of allowing (indeed, probably inviting) an American financial firm, Merrill Lynch, to take over the main branches of Yamaichi, Japan's fourth-largest brokerage house, when it failed in 1997 simply because Merrill Lynch promised to keep on about a sixth of Yamaichi's employees—a few thousand people. Only six weeks earlier senior officials in the Ministry of Finance, which oversees brokerage firms, had still loudly insisted that they would never let a foreigner do domestic Japanese securities business.

The bank crisis undermines the structure of Japanese business and society. It may dissolve Japan's most distinctive economic organization: the *keiretsu,* the cluster of businesses around a major bank. Contrary to common belief in the West, the *keiretsu* does not primarily serve business purposes. Its first function is to act as the real board of directors for the member companies, since the official board of each individual company is just an internal management committee. The *keiretsu*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quietly removes incompetent top management and checks out proposed promotions into the top echelons of member companies. But, above all, the *keiretsu* is a mutual support association. The members of a component company collectively hold enough of each other's shares to give the *keiretsu* effective ownership control. It thus protects each member against outsiders and hostile takeover bids. Moreover, it is the ultimate guarantor of lifetime employment. If a *keiretsu* member gets into such serious trouble that it has to lay off people, the other *keiretsu* companies will provide jobs for them. This lets the fellow *keiretsu* member cut costs and still fulfill its commitment to permanent job security.

Can the *keiretsu* survive the financial crisis? The banks at the core of the typical *keiretsu* have begun to sell off their holdings in the group in order to offset their losses. More *keiretsu* members are, in turn, selling off their shares in other *keiretsu* members to get cash to shore up their balance sheets. But, quite apart from the threat to lifetime employment and job security, what will replace the *keiretsu* as the organizing principle of the Japanese economy?

There are no answers to these questions. Thus, the only rational course for the Japanese bureaucracy may indeed be to have no policy. That delay will whittle the banking problem down to a manageable size is probably wishful thinking. But surely the West, especially the United States, can only hope that the procrastination strategy will work again. Social unrest in Japan would be a far more serious threat to U.S. political, strategic, and economic interests than anything that U.S. businesses or the U.S. economy could possibly gain through the actions, such as rapid deregulation of the financial sector, which Washington is now pressing on Tokyo.

IT'S NOT THE ECONOMY, STUPID

In the end, the most important key to understanding how the Japanese bureaucracy thinks, works, and behaves is understanding Japan's priorities. Americans assume that the economy takes primacy in political decisions, unless national security is seriously threatened. The Japanese—and by no means the bureaucracy alone—accord primacy to society.

Again the United States is the exception and Japan more nearly the rule. In most developed countries other than the United States,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the economy is considered a restraint on policies rather than their major, let alone sole, determinant. Ideology and, above all, the impact on society come first.

Even in the United States, the primacy of economics in public life and policy is fairly recent, dating no further back than World War II. Until then, the United States, too, tended to consider society first. Despite the Great Depression, the New Deal put social reform well ahead of economic recovery. America's voters overwhelmingly approved.

But while hardly uniquely Japanese, giving pride of place to society is more important to the Japanese than to most other developed countries, save perhaps France. To the outsider, Japan appears to have extraordinary social strength and cohesion. No other society in history has successfully met such extreme challenges and dislocations: say, the 180-degree turn forced on Japan by Commodore Perry's black ships in the 1860s, as a result of which the world's most isolated country, hermetically sealed for more than two centuries, opened itself to modernity overnight and became Westernized, or, equally traumatic, the radical social turnaround after its defeat in 1945 and the long years of foreign occupation thereafter. The Japanese, however, see their society as fragile. They know how close to collapse and civil war their country came both times; hence the extreme importance, for instance, of lifetime employment as Japan's social glue.

Whether Japanese society is hardy or delicate is beside the point. What matters is that the Japanese take its primacy for granted. If Americans understood this, especially in dealing with a Japan in trouble, they might cling less to myths about the uselessness of the Japanese bureaucracy. Defending the bureaucrats is still heresy, of course, but heresy is often closer to the truth than conventional wisdom.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Power and Interdependence in the Information Age

Robert O. Keohane and Joseph S. Nye, Jr.

THE RESILIENCE OF STATES

THROUGHOUT THE twentieth century, modernists have been proclaiming that technology would transform world politics. In 1910 Norman Angell declared that economic interdependence rendered wars irrational and looked forward to the day when they would become obsolete. Modernists in the 1970s saw telecommunications and jet travel as creating a global village, and believed that the territorial state, which has dominated world politics since the feudal age, was being eclipsed by nonterritorial actors such as multinational corporations, transnational social movements, and international organizations. Likewise, prophets such as Peter Drucker, Alvin and Heidi Toffler, and Esther Dyson argue that today's information revolution is ending hierarchical bureaucracies and leading to a new electronic feudalism with overlapping communities and jurisdictions laying claim to multiple layers of citizens' identities and loyalties.

The modernists of past generations were partly right. Angell's understanding of the impact of war on interdependence was insightful: World War I wrought unprecedented destruction, not only on the battlefield but also on the social and political systems that had thrived during the relatively peaceful years since 1815. As the modernists of the 1970s predicted, multinational corporations, nongovernmental

---

ROBERT O. KEOHANE is James B. Duke Professor of Political Science and Co-Director of the Program on Democracy, Institutions, and Political Economy at Duke University. JOSEPH S. NYE, JR., is Dean of the Kennedy School of Government at Harvard University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

organizations (NGOs), and global financial markets have become immensely more significant. But the state has been more resilient than modernists anticipated. States continue to command the loyalties of the vast majority of the world's people, and their control over material resources in most wealthy countries has stayed at a third to half of GDP.

The modernists of 1910 and the 1970s were right about the direction of change but simplistic about its consequences. Like pundits on the information revolution, they moved too directly from technology to political consequences without sufficiently considering the continuity of beliefs, the persistence of institutions, or the strategic options available to statesmen. They failed to analyze how holders of power could wield that power to shape or distort patterns of interdependence that cut across national boundaries.

Twenty years ago, in our book *Power and Interdependence* (1977), we analyzed the politics of such transnational issues as trade, monetary relations, and oceans policy, writing that "modernists point correctly to the fundamental changes now taking place, but they often assume without sufficient analysis that advances in technology and increases in social and economic transactions will lead to a new world in which states, and their control of force, will no longer be important. Traditionalists are adept at showing flaws in the modernist vision by pointing out how military interdependence continues, but find it very difficult accurately to interpret today's multidimensional economic, social, and ecological interdependence." This is still true for the information age in which cyberspace is itself a "place," everywhere and nowhere.

Prophets of a new cyberworld, like modernists before them, often overlook how much the new world overlaps and rests on the traditional world in which power depends on geographically based institutions. In 1998, 100 million people use the Internet. Even if this number reaches a billion in 2005, as some experts predict, a large portion of the world's people will not participate. Moreover, globalization is far from universal. Three-quarters of the world's population does not own a telephone, much less a modem and computer. Rules will be necessary to govern cyberspace, not only protecting lawful users from criminals but ensuring intellectual property rights. Rules require authority, whether in the form of public government or private or community governance. Classic

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

issues of politics—who governs and on what terms—are as relevant to cyberspace as to the real world.

THE EARLY DAYS OF THE REVOLUTION

INTERDEPENDENCE AMONG societies is not new. What is new is the virtual erasing of costs of communicating over distance as a result of the information revolution. The actual transmission costs have become negligible; hence the amount of information that can be transmitted is effectively infinite. Computing power has doubled every 18 months for the last 30 years. It now costs less than one percent of what it did in the early 1970s. Similarly, growth of the Internet and the World Wide Web has been exponential. Internet traffic doubles every 100 days. Communications bandwidths are expanding rapidly, and communications costs continue to fall. As late as 1980, phone calls over copper wire could carry one page of information per second; today a thin strand of optical fiber can transmit 90,000 volumes in a second. As with steam at the end of the eighteenth century and electricity at the end of the nineteenth, productivity growth has lagged as society learns to utilize the new technologies. Although many industries and firms have undergone rapid structural changes since the 1980s, the economic transformation is far from complete. We are still in the early stages of the information revolution.

That revolution has dramatically changed one feature of what we described in *Power and Interdependence* as "complex interdependence"—a world in which security and force matter less and countries are connected by multiple social and political relationships. Now anyone with a computer can be a desktop publisher, and anyone with a modem can communicate with distant parts of the globe at a trivial cost. Earlier transnational flows were heavily controlled by large bureaucracies like multinational corporations or the Catholic Church. Such organizations remain important, but the dramatic cheapening of information transmission has opened the field to loosely structured network organizations and even individuals. These NGOs and networks are particularly effective in penetrating states without regard to borders and using domestic constituencies to force political leaders to focus on their preferred agendas. The information revolution

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has vastly increased the number of channels of contact between societies, one of our three dimensions of complex interdependence.

However, the information revolution has not made dramatic changes in the two other conditions of complex interdependence. Military force still plays a significant role in relations between states, and in a crunch, security still outranks other issues in foreign policy.

We are still in the early stages of the information revolution.

One reason that the information revolution has not transformed world politics to a new politics of complete complex interdepence is that information does not flow in a vacuum but in political space that is already occupied. Another is that outside the democractic zone of peace, the world of states is not a world of complex interdependence. In many areas, realist assumptions about the dominance of military force and security issues remain valid. For the last four centuries states have established the political structure within which information flows across borders. Indeed, the information revolution itself can be understood only within the context of the globalization of the world economy, which itself was deliberately fostered by U.S. policy and international institutions for half a century after the end of World War II. In the late 1940s the United States sought to create an open international economy to forestall another depression and contain communism. The resulting international institutions, formed on the basis of multilateral principles, put a premium on markets and information and deemphasized military rivalry. It has become increasingly costly for states to turn away from these patterns of interdependence.

The quantity of information available in cyberspace means little by itself. The quality of information and distinctions between types of information are probably more important. Information does not just exist; it is created. When one considers the incentives to create information, three different types of information that are sources of power become apparent.

Free information is information that actors are willing to create and distribute without financial compensation. The sender benefits from the receiver believing the information and hence has incentives to produce it. Motives may vary. Scientific information is a public good,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

but persuasive messages, such as political ones, are more self-serving. Marketing, broadcasting, and propaganda are all examples of free information. The explosion in the quantity of free information is perhaps the most dramatic effect of the information revolution.

Commercial information is information that people are willing to create and send at a price. Senders neither gain nor lose by others believing the information, apart from the compensation they receive. For such information to be available on the Internet, issues of property rights must be resolved so that producers of information can be compensated by users. Creating commercial information before one's competitors can—assuming that intellectual property rights can be enforced—generates enormous profits, especially for pioneers, as the history of Microsoft demonstrates. The rapid growth of electronic commerce and the increase in global competition will be other important effects of the information revolution.

Politics will affect the information revolution as much as vice versa.

Strategic information, as old as espionage, confers great advantage on actors only if their competitors do not possess it. One enormous advantage the United States had in World War II was that, unbeknown to Tokyo, the United States had broken the Japanese codes. The quantity of such information is often not particularly important. For example, the strategic information available to the United States about the nuclear weapons programs of North Korea, Pakistan, or Iraq depends more on having reliable satellites or spies than on vast flows of electronic mail.

The information revolution alters patterns of complex interdependence by exponentially increasing the number of channels of communication in world politics—between individuals in networks, not just individuals within bureaucracies. But it exists in the context of an existing political structure, and its effects on the flows of different types of information vary vastly. Free information will flow faster without regulation. Strategic information will be protected as much as possible—for example, by encryption technologies. The flow of commercial information will depend on whether property rights are established in cyberspace. Politics will shape the information revolution as much as vice versa.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE NATURE OF POWER

KNOWLEDGE IS power, but what is power? A basic distinction can be drawn between behavioral power—the ability to obtain outcomes you want—and resource power—the possession of resources that are usually associated with the ability to reach outcomes you want. Behavioral power, in turn, can be divided into hard and soft power. Hard power is the ability to get others to do what they otherwise would not do through threats or rewards. Whether by economic carrots or military sticks, the ability to coax or coerce has long been the central element of power. As we pointed out two decades ago, the ability of the less vulnerable to manipulate or escape the constraints of an interdependent relationship at low cost is an important source of power. For example, in 1971 the United States halted the convertibility of dollars into gold and increased its influence over the international monetary system. In 1973, Arab states temporarily gained power from an oil embargo.

Soft power, on the other hand, is the ability to get desired outcomes because others want what you want. It is the ability to achieve goals through attraction rather than coercion. It works by convincing others to follow or getting them to agree to norms and institutions that produce the desired behavior. Soft power can rest on the appeal of one's ideas or culture or the ability to set the agenda through standards and institutions that shape the preferences of others. It depends largely on the persuasiveness of the free information that an actor seeks to transmit. If a state can make its power legitimate in the eyes of others and establish international institutions that encourage others to define their interests in compatible ways, it may not need to expend as many costly traditional economic or military resources.

Hard and soft power are related, but they are not the same. The political scientist Samuel P. Huntington is correct when he says that material success makes a culture and ideology attractive, and that economic and military failure lead to self-doubt and crises of identity. He is wrong, however, when he argues that soft power rests solely on a foundation of hard power. The soft power of the Vatican did not wane because the size of the papal states diminished. Canada, Sweden, and the Netherlands have more influence than some other states with equivalent economic or military capabilities. The Soviet Union had

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

considerable soft power in Europe after World War II but squandered it by invading Hungary and Czechoslovakia even when Soviet economic and military power continued to grow. Soft power varies over time and different domains. America's popular culture, with its libertarian and egalitarian currents, dominates film, television, and electronic communications. Not all aspects of that culture are attractive to everyone, for example conservative Muslims. Nonetheless, the spread of information and American popular culture has generally increased global awareness of and openness to American ideas and values. To some extent this reflects deliberate policies, but more often soft power is an inadvertent byproduct.

The information revolution is also affecting power measured in terms of resources rather than behavior. In the eighteenth-century European balance of power, territory, population, and agriculture provided the basis for infantry, and France was a principal beneficiary. In the nineteenth century, industrial capacity provided the resources that enabled Britain and, later, Germany to gain dominance. By the mid-twentieth century, science and particularly nuclear physics contributed crucial power resources to the United States and the Soviet Union. In the next century, information technology, broadly defined, is likely to be the most important power resource.

THE SMALL VERSUS THE LARGE

THE NEW conventional wisdom is that the information revolution has a leveling effect. As it reduces costs, economies of scale, and barriers of entry to markets, it should reduce the power of large states and enhance the power of small states and nonstate actors. In practice, however, international relations are more complex than the technological determinism this view suggests. Some aspects of the information revolution help the small, but some help the already large and powerful. There are several reasons.

First, important barriers to entry and economies of scale remain in some information-related aspects of power. For example, soft power is strongly affected by the cultural content of movies and television programs. Large, established entertainment industries often enjoy considerable economies of scale in content production and distribution.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The dominant American market share in films and television programs in world markets is therefore likely to continue.

Second, even where it is now cheap to disseminate existing information, the collection and production of new information often requires costly investments. In many competitive situations, the newness of information at the margin counts more than the average cost of all information. Intelligence is a good example. States like the United States, Britain, and France have capabilities for collecting intelligence that dwarf those of other nations. In some commercial situations, a fast follower can do better than a first mover, but in terms of power among states, it is usually better to be first.

Third, first movers are often the creators of the standards and architecture of information systems. The use of the English language and the pattern of top-level domain names on the Internet is a case in point. Partly because of the transformation of the American economy in the 1980s and partly because of large investments driven by the Cold War military competition, the United States was often first on the scene and still enjoys a lead in the application of a wide variety of information technologies.

Fourth, military power remains important in some critical domains of international relations. Information technology has some effects on the use of force that benefit the small and some that favor the powerful. The off-the-shelf commercial availability of what used to be costly military technologies benefits small states and nonstate actors and increases the vulnerability of large states. Information systems add lucrative targets for terrorist groups. Other trends, however, strengthen the already powerful. Many military analysts refer to a "revolution in military affairs" caused by the application of information technology. Space-based sensors, direct broadcasting, high-speed computers, and complex software provide the ability to gather, sort, process, transfer, and disseminate information about complex events that occur over a wide geographic area. This dominant battlespace awareness combined with precision force produces a powerful advantage. As the Gulf War showed, traditional assessments of balances of weapons platforms such as tanks or planes become irrelevant unless they include the ability to integrate information with those weapons. Many of the relevant technologies are available in commercial markets,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and weaker states can be expected to have many of them. The key, however, will not be possession of fancy hardware or advanced systems but the ability to integrate a system of systems. In this dimension, the United States is likely to keep its lead. In information warfare, a small edge makes all the difference. Contrary to the expectations of some theorists, the information revolution has not greatly decentralized or equalized power among states. If anything, it has had the opposite effect.

THE POLITICS OF CREDIBILITY

WHAT ABOUT reducing the role of governments and the power of all states? Here the changes are more likely to be along the lines the modernists predicted. But to understand the effect of free information on power, one must first understand the paradox of plenty. A plenitude of information leads to a poverty of attention. Attention becomes the scarce resource, and those who can distinguish valuable signals from white noise gain power. Editors, filters, interpreters, and cue-givers become more in demand, and this is a source of power. There will be an imperfect market for evaluators. Brand names and the ability to bestow an international seal of approval will become more important.

But power does not necessarily flow to those who can withhold information. Under some circumstances private information can cripple the credibility of those who have it. For instance, economists point out that sellers of used cars know more about their defects than potential buyers. Moreover, owners of bad cars are more likely to sell than owners of good ones. Thus potential buyers discount the price they are willing to pay to adjust for unknown defects. Hence the superior information of sellers does not improve the average price they receive, but instead makes them unable to sell good used cars for their real value. Unlike asymmetrical interdependence in trade, where power goes to those who can afford to hold back or break trade ties, information power flows to those who can edit and credibly validate information to sort out what is both correct and important.

Hence, among editors and cue-givers, credibility is the crucial resource, and asymmetrical credibility is a key source of power. Establishing credibility means developing a reputation for providing correct information, even when it may reflect badly on the information

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

provider's own country. The BBC, for example, has earned a reputation for credibility, while state-controlled radio stations in Baghdad, Beijing, and Havana have not. Reputation has always mattered in world politics, and it has become even more important because of the paradox of plenty. The low cost of transmitting data means that the ability to transmit it is much less important than it used to be, but the ability to filter information is more so. Political struggles focus less on control over the ability to transmit information than over the creation and destruction of credibility.

Three types of state action illustrate the value of credibility. Much of the traditional conduct of foreign policy occurs through the exchange of promises, which can be valuable only insofar as they are credible. Hence, governments that can credibly assure potential partners that they will not act opportunistically will gain advantages over competitors whose promises are less credible. During the Cold War, for example, the United States was a more credible ally for Western European countries than the Soviet Union because as a democracy the United States could more credibly promise not to seek to exploit or dominate its allies. Second, to borrow from capital markets at competitive interests rates requires credible information about one's financial situation. Finally, the exercise of soft power requires credibility in order to be persuasive. For instance, as long as the United States condoned racial segregation it could not be a credible advocate of universal human rights. But in June 1998, President Clinton could preach human rights to the Chinese—and in answer to a question at Beijing University about American shortcomings, could frankly admit that the United States needed to make further progress to realize its ideal of equality.

One implication of the abundance of free information sources and the role of credibility is that soft power is likely to become less a function of material resources. Hard power may be necessary—for instance, using force to take over a radio station—to generate soft power. Propaganda as a form of free information is not new. Hitler and Stalin used it effectively in the 1930s. Slobodan Milošević's control of television was crucial to his power in Serbia. In Moscow in 1993, a battle for power was fought at a TV station. In Rwanda, Hutu-controlled radio stations encouraged genocide. The power of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

broadcasting persists but will be increasingly supplemented by the Internet, with its multiple channels of communication controlled by multiple actors who cannot control one another by force. The issue is not only which actors own television networks, radio stations, or web sites—once a plethora of such sources exist—but who pays attention to which fountains of information and misinformation.

The shift from broadcasting to narrowcasting has major political implications.

In the case of worldwide television, wealth can also lead to soft power. For instance, CNN was based in Atlanta rather than Amman or Cairo because of America's leading position in the industry and technology. When Iraq invaded Kuwait in 1990, the fact that CNN was an American company helped to frame the issue, worldwide, as aggression. Had an Arab company been the world's dominant TV channel, perhaps the issue would have been framed as a justified attempt to reverse colonial humiliation.

Broadcasting is a type of free information that has long had an impact on public opinion. By focusing on certain conflicts and human rights problems, broadcasters have pressed politicians to respond to some foreign conflicts rather than others—say Somalia rather than southern Sudan. Not surprisingly, governments have sought to manipulate television and radio stations and have met with considerable success, since a relatively small number of broadcasting sites have been used to reach many people with the same message. However, the shift from broadcasting to narrowcasting has major political implications. Cable television and the Internet enable senders to segment and target audiences. Even more important politically, the Internet not only focuses attention but helps coordinate action across borders. Interactivity at low cost allows for the development of new virtual communities: people who imagine themselves as part of a single group regardless of how far apart they are physically from one another.

These technologies create new opportunities for NGOs. Advocacy networks' potential impact is vastly expanded by the information revolution, since the fax machine and the Internet enable them to send messages from the rain forests of Brazil or the sweatshops of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Southeast Asia. The recent Landmine Conference resulted from the activities of a coalition of network organizations working with middle-power governments like Canada, individual politicians like Senator Patrick Leahy (D-Vt.), and celebrities like Princess Diana to capture attention, set the agenda, and put pressure on political leaders. The role of NGOs was also an important channel of communication across delegations in the global warming discussions at Kyoto in December 1997. Environmental groups and industry competed in Kyoto for the attention of the media from major countries, basing their arguments in part on the findings of nongovernmental scientists.

There are substantial opportunities for a flowering of issue advocacy networks and virtual communities, but the credibility of these networks is fragile. Greenpeace, for instance, imposed large costs on Royal Dutch Shell by criticizing its planned disposal of its Brentspar drilling rig in the North Sea, but Greenpeace itself lost credibility when it later had to admit the inaccuracy of some of its claims. Atmospheric scientists' findings about climate change have gained credibility, not just from the prestige of science but from the procedures developed in the Intergovernmental Panel on Climate Change for extensive and careful peer review of scientific papers and intergovernmental vetting of executive summaries. The IPCC is an example of an information-legitimating institution whose major function is to give coherence and credibility to masses of scientific information about climate change.

As the IPCC example shows, the significance of credibility is giving increasing importance to transnational networks of like-minded experts. By framing issues where knowledge is important, such professional communities become important actors in forming coalitions and in bargaining processes. By creating knowledge, they can provide the basis for effective cooperation. But to be effective, the procedures by which this information is produced must appear unbiased. Scientific information is increasingly recognized as in part socially constructed. To be credible, the information must be produced through a process that is in accordance with professional norms and characterized by transparency and procedural fairness.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE DEMOCRATIC ADVANTAGE

NOT ALL democracies are leaders in the information revolution, but many are. This is no accident. Their societies are familiar with the free exchange of information, and their institutions of governance are not threatened by it. They can shape information because they can also take it. Authoritarian states, typically among the laggards, have more trouble. Governments such as China's can still limit their citizens' access to the Internet by controlling service providers and monitoring the relatively small number of users. Singapore has thus far been able to reconcile its political controls with an increasing role for the Internet. But as societies like Singapore reach higher levels of development where more citizens want fewer restrictions on access to the Internet, Singapore runs the risk of losing the people who are its key resource for competing in the information economy. Thus Singapore is wrestling with the dilemma of reshaping its educational system to encourage the individual creativity that the information economy will demand while maintaining social controls over the flow of information.

Another reason that closed systems have become more costly is that it is risky for foreigners to invest funds in a country where the key decisions are made in an opaque fashion. Transparency is becoming a key asset for countries seeking investments. The ability to hoard information, which once seemed so valuable to authoritarian states, undermines the credibility and transparency necessary to attract investment on globally competitive terms. Geographical communities still matter most, but governments that want rapid development will have to give up some of the barriers to information flows that protected officials from outside scrutiny. No longer will governments that want high levels of development be able to afford the luxury of keeping their financial and political situations a secret.

From a business standpoint, the information revolution has vastly increased the marketability and value of commercial information by reducing costs of transmission and the transaction costs of charging information users. As Adam Smith would have recognized, the value of information increases when the costs of transmitting it decline, just as the value of a good increases when transportation costs fall, increasing demand by giving its makers a larger market. Politically, however, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

most important shift has concerned free information. The ability to disseminate free information increases the potential for persuasion in world politics. NGOs and states can more readily influence the beliefs of people in other jurisdictions. If one actor can persuade others to adopt similar values and policies, whether it possesses hard power and strategic information may become less important. Soft power and free information can, if sufficiently persuasive, change perceptions of self-interest and thereby alter how hard power and strategic information are used. If governments or NGOs are to take advantage of the information revolution, they will have to establish reputations for credibility amid the white noise of the information revolution.

Cheap flows of information have enormously expanded the number and depth of transnational channels of contact. Nongovernmental actors have much greater opportunities to organize and propagate their views. States are more easily penetrated and less like black boxes. As a result, political leaders will find it more difficult to maintain a coherent ordering of foreign policy issues. Yet states are resilient, and some countries, especially large ones with democratic societies, are well-placed to benefit from an information society. Although the coherence of government policies may diminish in these pluralistic and penetrated states, their institutions will be attractive and their pronouncements will be credible. They will therefore be able to wield soft power to achieve many of their objectives. The future lies neither exclusively with the state nor with transnational relations: geographically based states will continue to structure politics in an information age, but they will rely less on material resources and more on their ability to remain credible to a public with increasingly diverse sources of information.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Triage of Dayton

Warren Bass

NOT A TRIUMPH

On November 16, 1995, Lieutenant General Wesley Clark sat in Dayton, Ohio, in a PowerScene virtual reality imaging system, using a joystick to fly back and forth through simulated three-dimensional scenes of the hills of Bosnia east of Sarajevo. At around 11 p.m., Serbian President Slobodan Milošević joined him, as well as some other U.S. officials. Lubricated by Scotch, Milošević and the Americans zoomed back and forth on the computer simulation to try to carve out a path from the besieged Bosnian capital to Goražde, a U.N. "safe area" surrounded by Bosnian Serbs. In the wee hours of the morning, Clark used crayons to draw a corridor from Sarajevo to Goražde that was not hopelessly indefensible. Milošević shook hands with Clark, who is now the supreme allied commander in Europe, and Richard C. Holbrooke, the main American peace negotiator, and what is variously known as the Clark Corridor or the Scotch Road was born.

Somehow, the United States had shifted from a determination not to be dragged into the Balkans to using U.S. officials and computers to draw Bosnia's new frontiers. Winston Churchill used to brag about having drawn Jordan's borders on a map one afternoon; the American general could say much the same thing about Bosnia. But America's entry lacked swagger. Rather, U.S. policymakers came to sketch the Scotch Road with a profound sense of ambivalence. Documents relating to this diplomacy—including Holbrooke's memoir *To End a War* and the State Department's 1996 official study of the

---

Warren Bass is an Associate Editor at *Foreign Affairs* and a Wexner Fellow in history at Columbia University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

process leading to the Dayton Accords of November 1995—show that American officials were painfully aware of the shortcomings of U.S. Bosnia policy and the distance it had shifted from the goals that Bill Clinton had espoused in 1992. If the devil is in the new details, they both afford a richer understanding of the evolution of U.S. policy and reinforce the enormity of the shortfall of American statecraft in the Bosnian crucible.

To be sure, Dayton was a vast improvement over the muddle and bloodshed that preceded it. But it has been oversold. Dayton represented not the vindication of the liberal ideals with which Bill Clinton excoriated George Bush on the 1992 campaign trail—firm action to halt genocide, bringing war criminals to justice, tolerance, multiethnic nation-states, liberal nationalism, and the use of international and European institutions—but rather a version of the chilly realpolitik that kept the Bush administration out of Bosnia. The deal the administration helped cut edged ominously close to partition, writing an epitaph for Bosnia as a multiethnic state and ceding much of its territory to the Bosnian Serbs. Many of Dayton's better provisions, especially the prosecution of war criminals and the return of refugees, remain largely unimplemented. Worse, Dayton required dealing with and ultimately strengthening Milošević and Croatian President Franjo Tudjman, two ethnic nationalists whose ideology and ruthlessness are antithetical to liberal values.

Dayton's lessons are grimly appropriate when considering the current violence in Kosovo, where Milošević's demagoguery helped set off Yugoslavia's demise and which is the latest target of his ethnic cleansing. The bloodshed in Kosovo is a symptom of the approach that strengthened Milošević and Tudjman. By doing so, Dayton plunged Serbia deeper into ethnic chauvinism, whereby the "sacred Serb soil" of Kosovo matters vastly more to Belgrade than do the Albanians living on top of it. As such, today's crisis comes as scant surprise. While the theater has shifted, and while Kosovo is part of Serbia proper, the underlying questions are much the same. As in 1993, the Clinton administration finds itself faced with a fundamental choice. Will the United States push Milošević to respect autonomy, the rights of minorities, and the rule of law, or will it retreat, as it did for two years in Bosnia, by saying that getting involved is not worth American blood and treasure? If it does back down, the retreat

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AP/WIDE WORLD PHOTOS

E Pluribus Pluribus: Bosnian President Alija Izetbegović and Serbian President Slobodan Milošević shake hands as Croatian President Franjo Tudman looks on, Dayton Ohio, November 1, 1995.

must include the realization that the Clinton administration's earlier policy of realpolitik eased the way to future episodes thereof.

Winning any accord in Bosnia was not easy. Dayton took considerable diplomatic skill and tenacity. Congress' isolationists proved unhelpful and irresponsible, and the administration ran huge political risks by deciding to intervene. But it ran those risks for a reluctant realism. It is hard not to wonder what might have been if it had run them on behalf of the liberal ideals that it promised. In the end, the very policies that the administration balked at in May 1993—using military force and firm leadership of the Europeans—were the ones that stopped the war in the autumn of 1995. According to Warren Zimmermann, the last U.S. ambassador to Yugoslavia, the cost of delay was more than 100,000 lives. The fuller our picture of Dayton becomes, the clearer it is that the Dayton process—its accomplishments notwithstanding—is less a how-to manual for peacemakers than a cautionary tale.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BUSH LEGACY

THE CLINTON administration inherited a mess. Its Republican predecessors were consummate realists. After meeting Milošević in Belgrade in June 1991 to warn him against "exploitation of ethnic resentments [and] failure to respect human rights in Kosovo"—complaints that could be lifted from today's headlines—Secretary of State James A. Baker III felt he "was talking to a wall with a crew cut." The Bush administration greeted Yugoslav intransigence with a shrug. Its basic—and correct—diplomatic calculus was that only military force would deter the ambitions of Milošević and Tudjman. Its basic—and incorrect—political calculus was that such an intervention could never be sold to the American people. That assessment was shaded by President Bush's determination not to try. National Security Adviser Brent Scowcroft said that the president would frequently ask him, "Tell me again what this is all about." He saw no U.S. interests engaged in Bosnia, and his European allies reinforced his skepticism. "Once in, where does it end?" asked British Prime Minister John Major. Instead, the Bush administration treated Bosnia as, in Baker's words, "a humanitarian nightmare in the heart of Europe," as if Bosnia's woes were the result of a famine or an earthquake rather than an act of aggression. The bottom line, as Baker put it, was that the costs in casualties "would have been staggering . . . the necessary support by the American people for the degree of force that would have been required in Bosnia could never have been built or maintained."

Clinton, on the other hand, promised a very different policy on the campaign trail. "I know that ethnic divisions are one of the strongest impulses in all of society all over the world," he said, "but we've got to take a stand against it." The Bush administration, he charged, was immoral "for turning its back on violations of basic human rights," and needed to show "real leadership." When the Clinton administration dithered, unlike the Bush administration, it did so in defiance of its promises.

The war could well have been ended in May 1993 had the president fulfilled his campaign pledge to lift the arms embargo on the Bosnians and launch air strikes on the Serbs. At that time, Clinton sent Secretary of State Warren Christopher to sound out the Europeans about lift and strike. But Christopher was instructed to consult, not to lead, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what he heard was across-the-board opposition, concern for European soldiers in the U.N. Protection Force (UNPROFOR), distaste for supposed American arrogance, and warnings that NATO might sunder. At a pivotal briefing in the Roosevelt Room the morning of his return, Christopher told Clinton that lift and strike was still viable, but that it would require, as he put it, a "raw power approach": telling the Europeans "that we have firmly decided to go ahead with our preferred option and that we expect them to support us." Of all the choices, Christopher explained, the least attractive—and most hypocritical—would be to continue the Bush policy of "doing nothing." But Clinton blanched.

BLUNDERING INTO BOLDNESS

WHY, THEN, after two years of fecklessness, did President Clinton act decisively, backing heretofore toothless diplomacy with force and American leadership? Alas, the answer to this puzzle lies in a startling decision—or, better, a nondecision—that no administration should repeat. By the time of the August 1995 decision to push for Holbrooke's shuttle, without being fully aware of it, Washington had already committed itself to a military presence in Bosnia. The decision was made in so aimless a manner that almost all senior officials were caught off guard when the implications of what they had done finally sank in.

The State Department's Bosnia study confirms that most senior foreign policy officials, most notably the president himself, were surprised to learn in June 1995 that U.S. troops might soon be on their way to Bosnia whether the administration liked it or not. The confusion stemmed from an earlier presidential decision that, should the situation on the ground become chaotic enough to prevent UNPROFOR—the hapless U.N. peacekeeping mission already in Bosnia—from functioning, NATO would intervene to help the blue helmets flee. The Clinton administration confirmed this commitment in late 1994, and NATO military planners duly began work on Op-plan 40104, which called for using 20,000 U.S. troops as part of a 60,000-person evacuation force. When NATO approved this mission in the spring of 1995 with the consent of American NATO Ambassador Robert E. Hunter and U.S. military planners in Brussels, the Clinton administration boxed itself in. While an intervention to limit U.N. failure would be

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dangerous and humiliating, the White House figured that reneging on its promise to NATO would destroy the remains of its credibility and devastate an already frayed alliance. With the U.N. peacekeeping force daily revealed to be impotent, the only way Washington could forestall the withdrawal mission to which it had committed itself was to push the parties to peace—a better option, but one that would still require sending American troops to Bosnia. What one Clinton adviser called "the single most difficult decision of [Clinton's] presidency—to send troops to Bosnia" had been made without anyone realizing it.

The decision to intervene in Bosnia was made without anyone realizing it.

As the war worsened, the specter of Op-plan 40104 loomed larger. The Serb massacres of thousands of Bosnian Muslims in July 1995 in the U.N.-designated "safe areas" of Srebrenica and Zepa—the worst war crimes in Europe since those of the Nazis—made UNPROFOR's ignominy complete. European countries participating in UNPROFOR began warning that they would soon pull their troops out, triggering what American policymakers referred to as the 40104 "doomsday machine"—intervention triggered by humiliation. Several senior officials, including U.N. Ambassador Madeleine K. Albright and National Security Adviser Anthony Lake, began arguing that since American troops were headed for Bosnia anyway, the administration should try to implement a success rather than ratify a failure. As one official memorably put it, the question on Bosnia was not whether to stay in or out; it was "choosing which waterfall we will go over." Driven mainly by Lake and the National Security Council staff, senior officials spent the rest of the summer scurrying to come up with a plan. In August, Holbrooke's mission began.

The Clinton administration's decision to reevaluate its Bosnia diplomacy came not from a realization of the failure of its earlier rudderlessness or a renewal of Wilsonian principle. Rather, it came from a decision few could even remember making. When apprised of the details of Op-plan 40104, everyone—from Holbrooke to Christopher to President Clinton himself—was shocked. The choice to commit U.S. troops to help withdraw UNPROFOR was not the fruit of any formal deliberative process in which the president approved

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the mission through such standard means as a decision memorandum. Rather, it was made by inertia. If there were lessons to be learned from the earlier decisions not to intervene, they were not learned by the Clinton administration. Instead, it became bold almost by accident.

CLEAN HANDS

THE ACCORD that emerged from the haphazard process triggered by Op-plan 40104, as Holbrooke himself concedes, is hardly perfect. To be sure, it stopped the fighting, at least for the time being, which should not be underappreciated. But many of the problems of implementing Dayton stem from the way the pact was negotiated.

Holbrooke made a basic decision to ignore the Bosnian Serbs and deal only with the Yugoslav president, Milošević. Past negotiators, including the European Union envoy Carl Bildt and former President Jimmy Carter, had negotiated directly with the gangsters in Pale, the self-styled Bosnian Serb capital, without success. By spring 1995, American negotiators began to coalesce around what the lead negotiator, the late Robert Frasure, called the Milošević strategy. Washington would bypass the Bosnian Serbs and pressure Milošević to deliver an agreement. Frasure had noted the way that Milošević and Radovan Karadžić and Ratko Mladić, the Bosnian Serb leaders, had capitalized on their own disagreements to scuttle earlier initiatives, like a 1994 Contact Group plan. Belgrade and Pale, he concluded, had to be forced together.

The key would be the type of linkage that was a hallmark of Henry Kissinger—tying relief from the economic sanctions that Milošević so hated to cooperation from his Bosnian Serb friends. Although Milošević stridently deployed what Zimmermann described as a "clean hands" gambit—denying any knowledge of or influence over Bosnian Serb misdeeds—the Americans decided to expose his pretensions and tie any agreement to Milošević. When first introduced to the Serbian president in August 1995, Holbrooke made it clear that the Bosnian Serbs would be cut out. "You must speak for Pale," he told Milošević. "We won't deal with them ever again."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Milošević delivered, forcing the Bosnian Serbs to surrender virtually all their negotiating rights. The Milošević strategy held throughout the Dayton process. U.S. negotiators met only twice with Karadžić and Mladić, both times in Belgrade with Milošević as the principal interlocutor. At Dayton itself, where almost 100 negotiators spent 21 days locked in an area no larger than 3 square blocks, the Bosnian Serb members of Milošević's delegation were completely ignored. For the Americans, they were invisible; for Milošević, they were to know only what he chose to tell them about what he had negotiated on their behalf. Indeed, only minutes before the signing ceremony, Milošević told the Bosnian Serbs that he had given up the Serb demand for Sarajevo. Expansion into Bosnia's capital was the sine qua non for the Bosnian Serbs, and Vice President Nikola Koljević apparently fainted at the sight of the Dayton map. They stormed out of Dayton in an impotent fury without signing anything, but within a week an unruffled Milošević had them on board.

The Muslims and Croats are partners on paper only.

But within the success of the Milošević strategy lies a fundamental problem: the Bosnian Serbs are still not reconciled to Dayton. There probably would not have been a deal without Milošević. The dilemma is that, for Pale, Dayton is an imposed settlement. It combines appeasement—the Bosnian Serb land grab was rewarded with the ratification of Republika Srpska, the Bosnian Serb fiefdom, declared shortly after Bosnia seceded from Yugoslavia in March 1992 and one of the two major constituent parts of post-Dayton Bosnia—with exclusion. As such, the Bosnian Serbs have, unsurprisingly, balked on almost every major implementation issue. Although a more cooperative and moderate leadership (by Bosnian Serb standards) has emerged in the form of President Biljana Plavšić and Prime Minister Milorad Dodik, most Bosnian Serbs have no interest in sharing power with Muslims and Croats. The extremism in Bosnian Serb political culture has not abated. Whenever Pale has cooperated over the past two years, it has mostly been due to external pressures, whether from Washington, the civilian implementation coordinator, or Belgrade.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Dayton's handling of the Bosnian Serbs was an awkward dance, poised between contempt for and ratification of Pale's thuggery. One clear remedy would be vigorous prosecution of war criminals, including above all Karadžić and Mladić, indicted in July 1995 for genocide and crimes against humanity by the U.N. war crimes tribunal, as a way of remolding Bosnian Serb politics on lines other than ethnic paranoia. But Washington has moved only slowly toward greater activism on war criminals.

THE SHOTGUN MARRIAGE

THE MILOŠEVIĆ strategy was one key to America's Balkan diplomacy. Another was the creation of the Muslim-Croat Federation of Bosnia and Herzegovina, established in March 1994 as the other main constituent part of Bosnia alongside Republika Srpska. Bosnia's Muslims and Croats fought fiercely in 1993, but Washington sought to turn their glorified cease-fire into real cooperation. No other configuration could balance the Bosnian Serbs. Rather than trying to broker a three-way settlement (or, by including the Bosnian Serbs, a four-way pact), the United States tried to deal with only two parties: the Federation and Milošević.

The Federation proved essential in the negotiations. Military cooperation yielded results when Serb forces in western Bosnia were routed during August and September 1995, helping set up the Dayton chessboard. But creating even a semblance of trust proved excruciating. The two parties are partners on paper only. By the time Holbrooke's shuttle diplomacy began in earnest, there was scant evidence that the Federation could ever become viable. Late Deputy Assistant Secretary of Defense Joseph Kruzel, in his last report to Washington in August 1995, described the Federation as a "marriage of convenience" and warned that its weakness might prove the initiative's "fundamental conceptual flaw." Using the Federation to balance the Serbs was "not possible, because the Croats won't fight the Serbs over the Muslims, [nor] will they let the Muslims acquire enough weapons to be in any sort of position to challenge Zagreb." Holbrooke's team knew full well that even an "equip and train" program to boost a joint Muslim-Croat armed force would not erase serious doubts about the Federation's long- or medium-term viability.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Like the decision to cut out the Bosnian Serbs, the forced entente of Muslims and Croats points to a troubling paradox: the tactics essential to winning an agreement fundamentally undermined the ability to implement it. Notwithstanding American initiatives to build trust, the Muslims and Croats will cooperate only as long as it suits both sides' interests. Otherwise, they eagerly exploit each other. Republika Srpska is usually cited as the most likely cause of Dayton's shattering. But the most disturbing incidents of interethnic violence since Dayton have occurred not between Muslims and Serbs but between Croats and Muslims—ostensibly the allies keeping Pale at bay. The sleeping giant that could bring down Dayton is not Republika Srpska but the U.S.-backed and, to some degree, U.S.-created Federation. American diplomacy kept Bosnia whole by stitching it together like Frankenstein's monster.

DECLARING VICTORY

THE CLINTON administration, especially after it had found its sea legs, could show considerable diplomatic skill. It used Bosnia, for instance, to help advance NATO expansion by bringing Russia into the Implementation Force (IFOR). Defense Secretary William Perry and Deputy Secretary of State Strobe Talbott deftly negotiated placing Russian troops under direct U.S. command, even while the top U.S. general was also the NATO commander. This gave the administration the spectacle of Russian soldiers under NATO orders to point to as evidence that NATO expansion need not be anti-Russian.

Such skill, however, only reinforces the disappointment over what could have been, had the administration stuck to its Wilsonian guns. In a sense, the Clinton administration most closely resembles not the Bush White House but an earlier administration of Republican realists, that of Richard M. Nixon. Nixon won office in 1968 claiming to have a secret plan to end the war in Vietnam. Clinton, too, promised an end to the fighting in Bosnia, condemning the Bush-Baker policy—in Baker's memorable phrase, Washington did not have a dog in the Yugoslav fight—as pusillanimous. But he then abandoned lift and strike, intimidated by the potential costs, and let the war drag on.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Despite its own repeated warnings about the limitations of force, the reluctance of Europe, and the lack of an American stake in the former Yugoslavia, the administration did eventually intervene, driven in significant measure by its confusion over Op-plan 40104. The two lost years testify to the administration's belated realization that power is like a muscle: use makes it stronger. Had it led in 1993, the Clinton administration would have had more leverage with its European allies, not less. And the dereliction of leadership did not keep America out of the Balkans. It decided not to push in 1993 and then wound up stumbling into intervention in 1995.

Moreover, the form that intervention took was a far cry from the rhetoric of candidate Clinton. Having blundered into boldness, Washington lacked the raw materials to stay true to its avowed ideals of multiethnic tolerance, liberal democracy, and reversing aggression. By 1995, the administration had cost itself much of its room for maneuver.

This point is not widely appreciated. Indeed, many bristle at the notion that Dayton is an act of realism rather than idealism. In good realist fashion, it sees Bosnia as an anarchic environment and seeks to balance the Serb would-be hegemons with the Muslim-Croat Federation. The key decision to use the threat of sanctions to force Belgrade to deliver the Bosnian Serbs is a classic Kissingerian linkage. Moreover, Dayton dispenses with moral handwringing over tainted interlocutors and instead treats all sides—invader and invaded, democrat and demagogue—equally with pragmatism and *raison d'état.*

The claims of liberalism were sidelined during the process. True, there have been elections, and there have been some attempts by the implementers of the accord to temper Serb broadcasters. But reliance on international institutions proved a disaster in Bosnia. The European Union, for one, proved a reliable voice of timidity. But the worst failure came from the United Nations. Not only did UNPROFOR prove utterly useless during the massacre at Srebrenica, but the presence of U.N. peacekeepers actually prolonged the war by delaying Western intervention. The blue helmets were even taken hostage by the Bosnian Serbs. They also proved symbolic hostages when European powers with troops in UNPROFOR used concerns for their safety to blunt demands for air strikes.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The other major international institution involved in the former Yugoslavia—the U.N. war crimes tribunal, now led by Chief Prosecutor Louise Arbour, a Canadian judge—gets a more mixed review. The tribunal could only be as strong as the major powers were willing to let it be, despite strong leadership from its first prosecutor, the South African judge Richard Goldstone. Throughout the Dayton process, the United States underfunded the floundering tribunal, and since Dayton it has only haltingly pushed for prosecutions. Despite NATO's massive presence on the ground and the ability it demonstrated in its 1995 bombing campaign to cow the Bosnian Serbs, Karadžić and Mladić remain at large. Only at the urging of U.S. Secretary of State Madeleine Albright and British Foreign Secretary Robin Cook has the tribunal been able to make major arrests.

Finally, the multiethnic democracy of Bosnia no longer exists. What is left are the tatters of a tolerant, cosmopolitan society. Ultimately, the West lacked the will to reverse Serb and Croat aggression, and the Bosnian Serb obsession with self-rule was ratified, rather than rebuffed, in the form of the creation of Republika Srpska. Even the nominal unity of Bosnia as a state is a fig leaf. It hides the shaky realist balancing act between Republika Srpska and the Federation. In picking its Balkan partners, the Clinton administration did what it had to do, treating Tudjman—a Holocaust denier, authoritarian, and bigot—as an ally. Holbrooke's personal revulsion kept him from shaking Karadžić's hand, but the demands of realpolitik led him to swallow his distaste for Yugoslavia's main destroyer, Milošević, whom he sometimes portrays as an engaging rogue. At Dayton, much of the heaviest pressure was brought to bear on the aggrieved party, the Bosnian Muslims.

Churchill warned that "the principle of self-determination . . . comes ill out of the mouths of those in totalitarian states who deny even the smallest element of toleration to every section and creed within their bounds." He could well have been speaking of Milošević and Tudjman. These men were not vanquished by Dayton but emboldened. Many of the agreement's imperfections relate directly to the failure to confront the scourge of ultranationalism. Letting the Bosnian Serb entity be called Republika Srpska, in whose name ethnic cleansing was perpetrated, is ghastly. Dayton's core logic rests on a military balance of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

power and adheres to an ethnic territorial division—51 percent for the Muslims and Croats, 49 percent for the Serbs—that codifies Serbian aggression. At Dayton, the United States was resigned to the 51-49 formula; at one point during the talks, the U.S. team unwittingly negotiated a 55-45 division but beat a hasty retreat once Milošević found out.

The liberal elements of Dayton—a binding central government for Bosnia, war crimes trials, refugees' returning home, and a reaffirmation of the values of civic nationalism—will remain meaningless absent any determination to enforce them. Indeed, the ambiguity of enforcement is another key flaw. Wary of "mission creep," American military leaders prevented diplomats from committing to anything that might mean risking U.S. casualties. The military refused to take on the responsibility to enforce Dayton's terms, accepting only the authority to do so—an odd view of accepting civilian commands. Having finally made its way to an agreement, the United States squandered its best opportunity to implement Dayton's liberal elements by not moving boldly in the immediate wake of IFOR's entry at the end of 1995. In an election year, Clinton had no stomach for pushing the Pentagon hard to punish violations of Dayton. Thus, initially, Dayton's future was left in the hands of the very people who did all they could to prevent U.S. intervention: military leaders like Admiral Leighton Smith, the commander of NATO forces in Bosnia, who interpreted IFOR's responsibilities as narrowly as imaginable. In his first major local media appearance, after IFOR's deployment in December 1995, Smith assured Pale Television that he did not "have the authority to arrest anybody." Karadžić has passed through NATO checkpoints. Perhaps the most egregious incident occurred in March 1996, when Bosnian Serb thugs forced fellow Serbs out of their homes in Sarajevo's suburbs and set their houses on fire to prevent them from choosing to live under Muslim control. Ignoring both the spirit and the authority of Dayton, Smith ordered IFOR fire trucks to remain in their stations.

Radovan Karadžić has passed through NATO checkpoints.

To be sure, things have improved over the past year, with more arrests of war criminals and the elevation of General Clark—the American military official with perhaps the greatest personal stake in Dayton's success—to NATO commander. Even so, the enforcement

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

record is disappointing. Repatriation of those refugees brave enough to return home would restore some of the old heterogeneity of Yugoslavia. War crimes trials, especially for those atop the command chain, are also essential. An administration willing to risk the costs of intervention in the name of realism could run those same risks for a more lasting liberalism. Muscular enforcement of the Wilsonian elements of Dayton would be a payback, however belated and partial, by the Clinton administration for its May 1993 dereliction of principle.

In his memoirs, Holbrooke can explain the ethnic cleansers of Bosnia only by recognizing "that there was true evil in the world." As someone who was not even in government in May 1993, Holbrooke comes closest to admitting the full consequences of Western appeasement and silence in the face of genocide. His colleagues mostly remain silent. While few can be absolved of responsibility, the Clinton administration deserves its due. The political risks it ran were serious. Once it blundered into Bosnia, its tactics were skilled. Christopher and Holbrooke were tenacious at Dayton. But the decision to stay out for so long, the belated and muffed decision to intervene, and the acceptance of ethnic cleansing must also be placed at the administration's doorstep. Its Wilsonian pretensions remain as insupportable as its depiction of Bosnia as a foreign policy success.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ireland's Uncertain Peace

John Lloyd

BEATING UNIONIST DRUMS

NORTHERN IRELAND stutters and grumbles its way toward a peace which is still uncertain. April's Good Friday Agreement, whose signing in Belfast was celebrated on both sides of the Atlantic, did no more than sketch out a middle ground on which unionists and nationalists who reject violence might together govern this province of 1.6 million people. But that ground is still narrow. Although it has withstood one severe challenge this summer, it did so by a very Irish kind of luck. Another threat at least as bad is sure to come.

The referendum on the agreement gained the support of 71 percent of the province's voters. Most of the no votes were in the unionist camp, which makes up between 55 and 60 percent of the province. The unionists have many cavils with the agreement and the structure of the assembly it sets up. But most of all they are concerned and often enraged by the vast concessions being made to Sinn Féin, the political wing of the Irish Republican Army. The IRA has waged continuous war on the United Kingdom and on unionists for 30 years; many unionists cannot believe that it has given up and see in its acquiescence to the agreement a sly opening gambit in a war by other means.

The two toughest elements for the unionists to swallow are the release of terrorists, the majority of whom are republicans, and the entry into the provincial government of the two leading members of Sinn Féin, Gerry Adams and Martin McGuinness. These issues will have to be faced later this year, but already in July, only weeks after the appointment of a new first minister and his deputy, a quite different

---

JOHN LLOYD is Associate Editor of the *New Statesman,* a writer for the *Financial Times*, and the author of *Rebirth of a Nation: An Anatomy of Russia.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

issue all but swamped the agreement. It is an issue that goes to the heart of the relationship between Protestants and Catholics, who roughly equate with unionists and nationalists. It is the matter of culture and its relationship to power.

At the core of militant unionism is the Orange Order, which, with its brother organizations, the Apprentice Boys and the Royal Black Preceptory, has organized unionist men from all classes into lodges that express their loyalty to the British crown each summer in a series of parades. The order is a religious one, limited in its membership to Protestants and explicitly hostile to Catholicism (though, its supporters would say, not to Catholics). Its parades vary from processions to church for worship and marches to memorials to commemorate the dead of the two world wars (especially those at the Somme in 1916, where a disproportionate number of Ulstermen were slaughtered) to grand days out with bands in comic-opera uniforms, crowds lining the streets, speeches, and galas. Though some of it is gay and much of it stirring, the marches have a sectarian edge that has often sharpened in the last few years as Protestants and Catholics drew further back from each other. The great Lambeg drums are banged fiercely near Catholic areas, and the bands continually play songs like "The Sash My Father Wore," which emphasize the victory of Protestant forces at the Battle of the Boyne in 1690.

Over the past three years, Sinn Féin has organized "residents' associations" in those parts of the Orangemen's traditional routes that pass through or near Catholic areas. Informal local groups had already existed, and through local negotiation or common sense, many Orange marches that did cause offense had been rerouted. Others were dropped. In the largely nationalist town of Londonderry ("Derry" to nationalists), the procession around the city walls was curtailed and postponed, while other marches were rerouted or toned down.

One parade above all has come to dominate the increasingly tense intercommunal relations—the parade led by the lodges of the mid-Ulster town of Portadown to the parish church of Drumcree just outside the town. One of the oldest parades, dating back some 200 years, it takes place near the site of the Orange Order's founding. However, its traditional route has been the Garvaghy Road, which passes a housing project built in the 1970s for people terrorized out of their homes in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Belfast, the majority of whom were Catholics. In keeping with the times, the Protestants have left, leaving the project wholly Catholic. Three years ago, the residents' association appointed Breandan MacCionnaigh its chairman. MacCionnaigh had been imprisoned for, among other crimes, playing a part in the bombing of the British Legion veterans hall in Portadown. A skilled and obdurate organizer, MacCionnaigh brought out large numbers of protesters on the streets to try to prevent the parades over the past three years. Each time, however, they were forced through under the protection of the Royal Ulster Constabulary.

LUCK OF THE IRISH

THIS YEAR the Parades Commission, a new independent body appointed by the government, ordered the parade to reroute itself away from the Garvaghy Road. The Orange Order was predictably outraged, but the decision rankled even the most liberal unionists. The Orangemen do not command universal affection in unionist circles, but a church parade commemorating the fallen in the wars, down a road that does not pass through but only near a Catholic area, in a manner that would be somber rather than triumphalist, was not seen as offensive.

Protests began and built. A hard core of protesters camped in the fields round the church, in a valley between two hills. On one hill is the church, and on the other the Catholic housing project. Each night, more and more supporters came in by coach and bus. In the early hours, the rougher spirits would try to storm the police lines in front of the project behind barbed wire and a deep trench. One night, bullets were fired from the protesters' side, hitting no one. The police fired plastic bullets, and there were injuries on both sides.

Northern Ireland already had the beginnings of its own government. In June, David Trimble, the leader of the Ulster Unionist Party, which had the largest bloc of seats in the new assembly, became first minister. Seamus Mallon, deputy leader of the nationalist Social Democratic and Labour Party (SDLP), became deputy first minister. These two men had cooperated in the past and had some respect for each other; they tried, in impressive harmony, to calm the situation. But Mallon was jostled into his car when he went to speak to the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

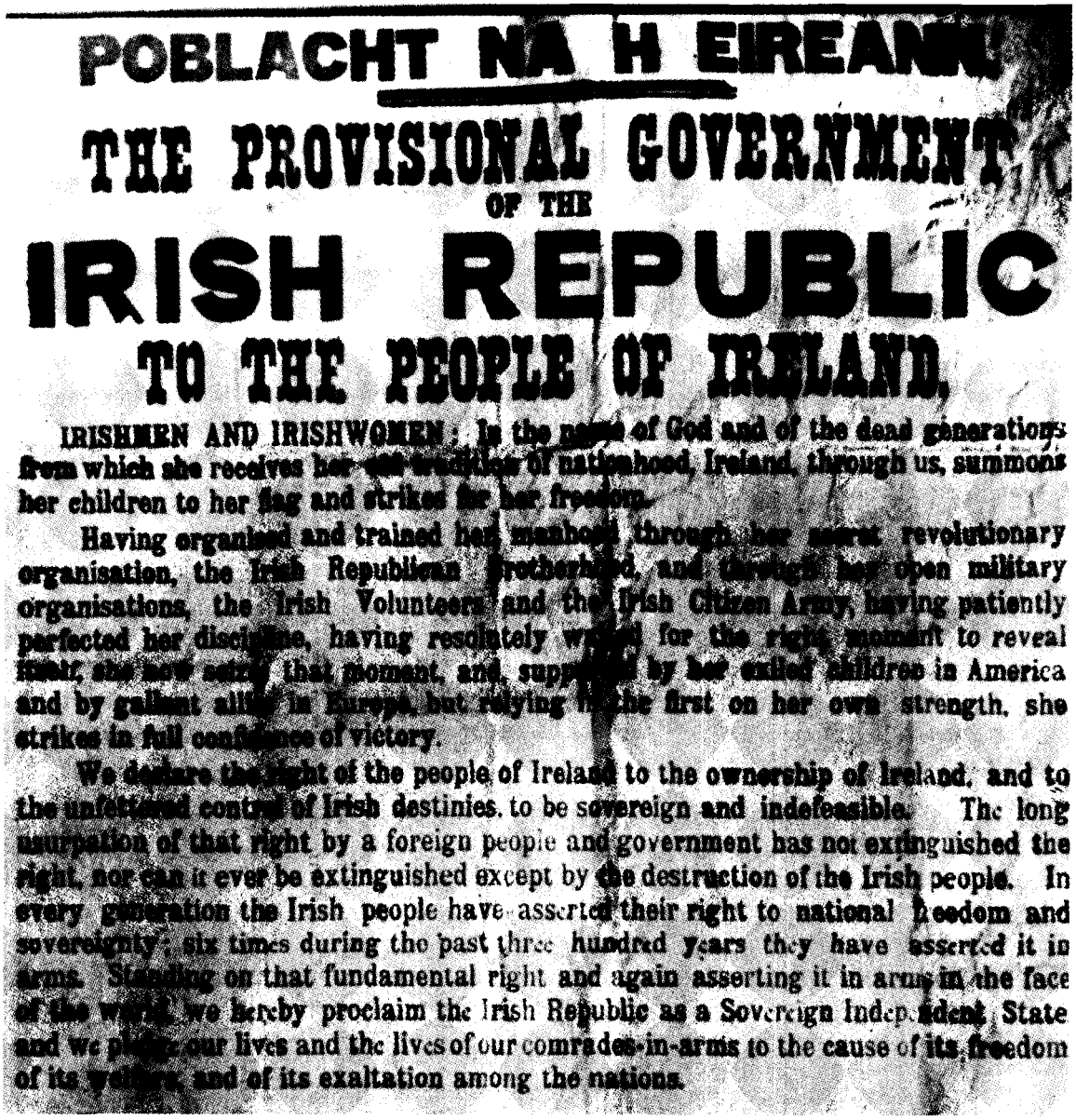
Garvaghy Road residents, and Trimble, himself an Orangeman who had walked to Drumcree through jeering protesters in 1995, was seen as compromised. He refused to tell the Orangemen clearly to call off their escalating protest. In the week leading up to July 12, the year's biggest marching day, commemorating the Battle of the Boyne, it was feared that there would be tens of thousands of protesters at Drumcree and that the police would be overwhelmed. Trimble was privately in despair. He believed he could not withstand an explosion at Drumcree, and that if he went, the assembly would too.

At 4:30 in the morning of Sunday, July 12, someone threw a gasoline bomb through the window of a house in a public housing project in the town of Ballymoney in the north of the province. The family within was mixed Protestant-Catholic—the father, who had left some months before, was a Protestant, the mother a Catholic, and the four children at a Protestant school. The bomb sent the house up in flames in minutes, and three of the four children (one was away from home) were burned to death.

This horror was Irish luck. Within hours, the heads of the police, the churches, and Trimble himself had denounced it as a sectarian killing (although it was not clear that it was), with the clear implication that, since it was in a fiercely unionist housing project, some Protestant extremist enraged by a mixed marriage had perpetrated the crime. All who spoke that morning implicitly connected the looming confrontation at Drumcree with the boys' deaths; all demanded that the Orange Order dissociate itself from the men of violence and end their protest. In two days, despite angry howls from the more fundamentalist unionists that they were being framed, the protests declined to a couple of hundred men; by the end of the following week, the police felt able to move in and close down the Drumcree camp.

Thus did three deaths avert what had been forecast to be a worse horror. The issue itself remained unresolved: would it be possible in the future to develop symbolic displays of unionism and nationalism that did not provoke the other side to violence? Could Orangeism, which is one of the few remaining popular, cross-class institutions left that is not organized by the state or an entertainment corporation, evolve into a peaceful, open, and colorful anachronism? The question will recur; for now, Trimble and Mallon can sigh with relief that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



POBLACHT NA H EIREANN.

THE PROVISIONAL GOVERNMENT
OF THE
IRISH REPUBLIC
TO THE PEOPLE OF IRELAND.

IRISHMEN AND IRISHWOMEN: In the name of God and of the dead generations from which she receives her old tradition of nationhood, Ireland, through us, summons her children to her flag and strikes for her freedom.

Having organised and trained her manhood through her secret revolutionary organisation, the Irish Republican Brotherhood, and through her open military organisations, the Irish Volunteers and the Irish Citizen Army, having patiently perfected her discipline, having resolutely waited for the right moment to reveal itself, she now seizes that moment, and, supported by her exiled children in America and by gallant allies in Europe, but relying first on her own strength, she strikes in full confidence of victory.

We declare the right of the people of Ireland to the ownership of Ireland, and to the unfettered control of Irish destinies, to be sovereign and indefeasible. The long usurpation of that right by a foreign people and government has not extinguished the right, nor can it ever be extinguished except by the destruction of the Irish people. In every generation the Irish people have asserted their right to national freedom and sovereignty: six times during the past three hundred years they have asserted it in arms. Standing on that fundamental right and again asserting it in arms in the face of the world, we hereby proclaim the Irish Republic as a Sovereign Independent State, and we pledge our lives and the lives of our comrades-in-arms to the cause of its freedom, of its welfare, and of its exaltation among the nations.

CORBIS-BETTMA

Nobody knows the Troubles they've seen: Sinn Féin rebel proclamation, 1916

they survived and attempt to put some firmer ground beneath their feet before they must climb the next mountain.

The cunningly wrought agreement under which they work gives and takes in roughly equal measure. Northern Ireland is confirmed as part of the United Kingdom, but the assembly must develop the cross-border institutions that unionists fear because nationalists see them as embryos of an all-Irish government.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Their basic fear may be well-founded: that the nationalists in Northern Ireland will use the new assembly to advance a nationalist and sectarian-Catholic agenda, rather than using it to govern a divided province within the United Kingdom.

In other recent settlements and negotiations, some form of renunciation has been part of the process. The South African whites renounced their right to rule. The Palestine Liberation Organization, at least in negotiations, recognized Israel's right to exist. Mikhail Gorbachev let communism die. The IRA, on the other hand, has agreed to take part in the parliament of a province whose right to exist as part of the United Kingdom it does not recognize. The IRA has neither formally nor informally renounced its absolute opposition to British rule in any part of Ireland. Even the SDLP, which has always argued for peaceful politics, continues to press for a united Ireland—especially in the statements and speeches of its leader, John Hume. It is, then, no mystery why unionists do not all gladly embrace peace. They see the enemy against which they have fought for three decades brought inside the pale of democratic politics and rewarded with seats, ministerial posts, and salaries—without changing position, apologizing for past murders, or giving up any of its large stock of weapons.

The largest uncertainty in the unionist mind is Irish nationalism itself.

The largest uncertainty in the unionist mind is Irish nationalism itself. For all of this century, Irish nationalism has been variegated and has spoken with different accents, but in the end saw itself as a family that, when challenged, would always put unity before agreement with opponents. In this version, no nationalist, no matter how reasonable, peacefully inclined, or constitutionally minded, would betray the cause of a united Ireland, even if he might tut-tut at the methods used by the IRA. The British were never a friendly neighboring state or fellow member of the European Union. Where not the enemy (as they were to the IRA), they were at least an obstacle to the historic mission to unify.

The agreement abnegated the second and third articles of the Republic of Ireland constitution, which laid explicit claim to Northern Ireland. But the aspiration to unity remains in the new clauses,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which over 90 percent of the voters in the Republic backed in May. "It is the firm will of the Irish nation," the new Clause Three begins, "in harmony and friendship, to unite all the people who share the territory of the island of Ireland."

CONVINCING THE FAITHFUL

BOTH THE SDLP and Sinn Féin sold the agreement to their followers on the understanding that it would lead to a united Ireland sooner or later. Gerry Adams won assent from his doubting organization by persuading it that peaceful means could advance the republican agenda better than war. Even so, the IRA has not handed in any weapons and has consistently refused to countenance doing so. Weapons surrender has been the great failure of the talks. They were supposed to be surrendered before the talks began, while they were taking place, and before Sinn Féin takes the seats it won in the June assembly elections and before Adams gets the ministerial position to which Sinn Féin's vote entitles him. The lack of any progress on this front fuels unionist fears.

The only issue that aggravates the unionists even more than weapons is the release of terrorist prisoners. Although both republican and loyalist terrorists are to be released, the former greatly outnumber the latter, and their release causes much more outrage in unionist areas than loyalist releases do in nationalist ones. Many of the men to be released killed policemen; others gunned down part-time members of the army reserve. Some were enforcers within the nationalist community, where punishment for crimes such as drug dealing is a bullet through one or both kneecaps, or for suspected betrayal, death. Their release causes revulsion, especially among members of the police force (the Royal Ulster Constabulary) and former members of the army reserve. Jeffrey Donaldson, the influential unionist MP closest to Trimble and himself a former reserve officer, has broken with the Ulster Unionist leader over the issue of prisoner release and is now hostile to the agreement.

The structure of the new assembly tends to institutionalize division. In order to put as much distance as possible between the assembly and the old provincial parliament, dissolved in 1972, which operated a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

majoritarian system modeled on Westminster, the new assembly is replete with checks and balances. Two community-religious blocs are assumed. The largest of these provides the first minister, the smaller his or her deputy. Thereafter, ministers are appointed according to the votes of the various parties. All issues must gain assent from the majority in each community bloc, or at least 40 percent from each bloc, giving an assembly majority of no less than 60 percent. The assembly could thus tend to reproduce the province's old zero-sum politics, especially if Sinn Féin continues to strive to overtake the SDLP as the largest nationalist party by stressing the discrimination and exclusion many Catholics still say they feel.

The demographic factor is Northern Ireland's ticking clock.

The rarely voiced but always present factor in Northern Ireland's politics is the ticking clock of demographics. Catholics were little more than 30 percent of the population in the 1920s, at the time of partition; they now account for well over 40 percent and are still growing relative to the Protestants. While a significant minority of Catholics probably vote for a unionist party, the overwhelming majority votes nationalist and can be expected to continue to do so. When the number of Catholics approaches a majority, Protestants who cannot bear the thought of becoming part of a united Ireland may turn to violence.

The splits in unionism bring their own dynamic of political instability. The Democratic Unionist Party of the Reverend Ian Paisley and Robert McCartney's United Kingdom Unionists are likely to make common cause with the anti-agreement Ulster Unionists, several of whom have been elected to the assembly; other assembly members on the unionist side might be tempted into their camp on specific issues or if their constituencies pressure them. By history, temperament, and constitution, the Ulster Unionist Party gives much power to the constituencies and little to the center—a political reflection of the organization of the Presbyterian Church, with its habitual distrust of the kind of central, authoritarian power it sees as typical of the Roman Catholic Church. This means that unionist representatives tend to decide and vote on principled, sometimes religious grounds, rather than,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as in Westminster, following the party line. Loyalty to God, conscience, or both is more highly esteemed than loyalty to a party leader. Further, the messianism of republicanism is countered by a view that Ulster's status as part of the United Kingdom is quasi-religious and includes for many unionists a passionately felt loyalty to a monarchy which remains Protestant (no Catholic can succeed to the throne of Great Britain).

These issues are large, and the July events show how delicate the mood is, especially in the unionist camp. Yet the situation is more hopeful than in the past. The strains described may sink it and produce a situation as dangerous as any of the last 30 years. But the changes are vast. Bombs used to go off nightly; the cities of Belfast, Londonderry, and most towns and villages were saturated by police and army troops, with endless roadblocks, body searches, and random questioning by patrols. The British and Irish governments were coldly formal with each other; the old provincial parliament was abolished and direct rule put in its place; much of the Catholic working class was slipping toward the IRA, and Protestant paramilitary groups were massing across the province.

Today, though Belfast is not a showcase among British cities, it has recovered something of its tranquillity and lost some of its grimy, slummy industrial look—rather like Glasgow, which it resembles and whose industrial development was similar to its own. So much public money has been pumped into the province that its infrastructure is better than most other parts of the United Kingdom. The two great engineering plants in Belfast—the shipbuilders Harland and Wolff and the Shorts aircraft manufacturers—have been kept in existence through adroit placing of state contracts. An erstwhile culinary desert and possessor of thousands of smoky, men-only bars divided on sectarian lines now has a rash of bistros, trendy restaurants, and comfortable hotels. A moderate nationalist has become mayor of Belfast, reflecting both unionist division and a growing Catholic inner-city population, and has won cautious assent from the moderate unionists. The second main city, Londonderry, has been nationalist-controlled for years. Apart from some flashpoints around marching season, trouble has been relatively low.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TIME FOR CREATIVITY

IN ALL THIS visible improvement, "relatively" is the key word. In all but the most solidly Protestant enclaves, which have been largely untouched by the troubles, both communities are distrustful, sometimes vengeful, with collective memories of grievance that will last for decades. But the relative calm means that the main political figures have—or should have—some space in which to create, rather than merely preserve. The key figure is Trimble. He must not only, like his counterparts in the new assemblies in Scotland and Wales, make a new democratic forum work but must also create a political environment in which his own people, the unionists, can feel confident enough to share power with the nationalists.

At first glance, Trimble seems an unlikely man for the job. He succeeded James Molyneaux as unionist leader three years ago because of support garnered from the harder elements in the party. In his twenties, he was a leading member of the Loyalist Vanguard organization, which while not itself paramilitary had links with the early loyalist paramilitary, was fiercely antinationalist, and had many members who were anti-Catholic bigots. He had, as the newly elected leader of his party, paraded to Drumcree arm-in-arm with Paisley and had warned the British government, then a Conservative one, against making any concessions to an IRA that he described in the most contemptuous of terms. He is personally shy, with some of the manners of the academic constitutional lawyer he was for most of his adult life. This comes out often as irascibility, coupled with a pronounced pessimism and a disinclination to consult and reach out.

But the past year has seen the emergence of a different man. Having accepted the new British Labour government's faster tempo for a peace process mired in procedural quarrels, Trimble, to keep talks going, absorbed many compromises and softened his previous positions. He finally agreed to a pact that preserved many ambiguities about the status of Northern Ireland and the durability of the link with the United Kingdom, justifying his assent by recalling the pledge by both the British and Irish governments that the province would remain part of the United Kingdom as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

long as the majority wished. This conditional belonging is uncomfortable for many unionists, who see themselves as British by destiny. But it is reality, and to have it made explicit and above all to have the Irish government agree to it was a prize Trimble deemed worthy of compromises.

Nor has he been half-hearted about espousing a new era. Deeply distrustful of the SDLP's alliance with Sinn Féin at the beginning of the talks, he made calculated moves to assist the SDLP's electoral chances by their end. He uses, in speeches, phrases like "multicultural, multi-ethnic Britain"—commonplace to most politicians but foreign to the rather archaic political culture of Northern Ireland. When, a day or so after his confirmation as first minister, Catholic churches were firebombed by (presumably) loyalist thugs, he toured the damage with a grim face and expressed horror.

The IRA's "ballots and Armalite" strategy has worked perfectly.

His main opponent and possible nemesis is Gerry Adams, president of Sinn Féin. Adams has been described many times as a senior official of the IRA and a long-time member of its highest command, the Army Council—most recently and compellingly by the remarkable former IRA activist–turned–agent for the Irish police, Sean O'Callaghan, in his book *The Informer*. O'Callaghan also describes how Adams, with the support of Martin McGuinness, a one-time commander of the Derry Brigade of the IRA, won out in the late 1980s against the old guard IRA leaders who were narrowly focused on doing as much damage to the British and the Northern Protestants as they could. Adams developed the "ballots and Armalite" strategy, which mixed terror and murder with electoral activity, negotiations with the British, and, in the late 1980s, an agreement on a joint approach to talks with Hume's SDLP (even though, according to O'Callaghan, Adams had a few years before canvassed the idea of assassinating Hume).

His strategy has worked brilliantly. From negligible votes in the 1980s and early 1990s, Sinn Féin has moved up to take in the upper teens of the Northern Irish vote, challenging the SDLP, only a few percentage points ahead, to be the largest nationalist party. Sinn Féin won 18 seats in the new assembly to the SDLP's 24, securing two ministerial posts for the party and vindicating Adams' line.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The unanswered question about Adams is what he now thinks. He has led his party into an assembly he should regard as an abomination and seems prepared to take office to administer a province he thinks should not exist. Since the agreement, his language has moderated little, something taken by most unionists as proof he remains an unreformed terrorist but interpreted by the hopeful as no more than the necessary reassurance to Sinn Féin members disoriented by the shift away from terror. He cannot afford to suddenly shock his supporters, especially when many have access to guns. Adams thus continues to provide excuses as to why the IRA should not disarm, concentrates his fire on unionist splits, and quietly encourages residents' groups to annoy the Orange Order by demanding their marches be banned as provocations. He wants the assembly to midwife a series of committees to bring together politicians from the Republic and those from the North, and wants these to evolve into executive bodies, forerunners of a joint government. The idea is anathema to unionists. If Sinn Féin is to transform itself into a constitutional opposition party, it will do so slowly, but there is neither a guarantee nor any indication that it will happen at all. If it does not, the success of the agreement will always be in doubt.

Former Senator George Mitchell's role was critical.

John Hume, the leader of the SDLP, has already achieved his largest success. His strategy of involving Adams in the talks and in persuading the British to talk to him openly (there have been several secret meetings with IRA leaders over the past three decades) has been crowned with triumph. Perhaps for that reason, and perhaps because his health is uncertain, Hume refused the post of deputy first minister, which could have been his, in favor of his own deputy, Seamus Mallon—a man whose emollience and greater understanding of the unionist position makes him more acceptable to the majority community in any case. Hume has not, however, succeeded (as Adams and McGuinness have) in establishing his party on a solid base. His working style has been solitary, charismatic, and often inconsistent. Though he has been steady and courageous in opposing violence, he has never seemed to grasp the depths of unionist alienation from the Republic and from nationalism. He often gives the impression of believing that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a little less bigotry and the withdrawal of the British would solve everything, without admitting that the unionists believe they are the British and Northern Ireland is part of the United Kingdom.

A FORTUNATE CONSTELLATION

THESE MEN could not have arrived at the Good Friday Pact without a fortunate constellation of forces outside Northern Ireland, a constellation which remains in place and whose solidity is one of the most optimistic elements in the equation. British Prime Minister Tony Blair, with a large parliamentary majority and the energy that has characterized his first year, seized the Irish dilemma with more force than most had expected. Together with his Northern Ireland Secretary, Marjorie ("Mo") Mowlam, Blair set a May deadline for the talks, made concessions to Sinn Féin while keeping the Ulster Unionists—just—in the conference chamber, and finally saw the process through its last two days.

Bertie Ahern, the prime minister of the Irish Republic, had, like Blair, taken no great interest in the North before his assumption of the premiership. As a Fianna Fáil leader, he was ideologically closer to Sinn Féin and had shown none of the sympathy for the British position of his Fine Gael predecessor, John Bruton. But, as it took a Republican president to forge American links to Communist China, so it took a Fianna Fáil premier to ask his fellow citizens to replace Articles Two and Three of a constitution crafted by the Fianna Fáil prime minister and anti-British guerrilla Éamon de Valéra in the 1930s.

America was the final crucial outsider. Former Senator George J. Mitchell's role as chairman of the talks was commonly said to be critical and exemplary. Throughout a nerve-grinding process stretched over three years, Mitchell gave no hostages to the media, was never captured by any side, and even won the trust of the unionists, who had seen him as just another pro-nationalist American politician. Trimble once told me that he thought Mitchell had helped the White House understand the real nature of Northern Irish politics. Perhaps so; at any rate, President Clinton, himself suspected of being heavily under the influence of the Irish-American lobby led by Senator Edward Kennedy (D-Mass.), was accepted as a relatively honest broker, one whose egregious invitation to Gerry Adams to the White House

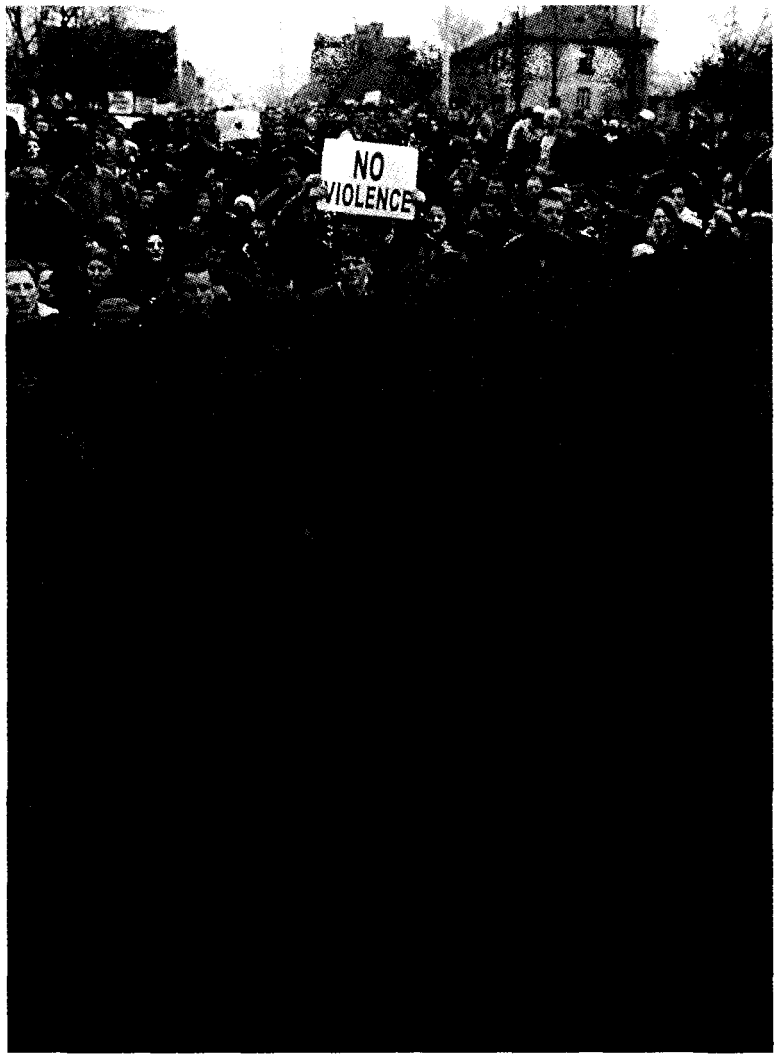
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

while the latter was still justifying terrorism was to a degree compensated for by meetings with Trimble and other unionists. Both Trimble and Adams spoke to Clinton in the last days of the talks.

The success of the agreement may lie in its very looseness and ambiguity. Neither side has what it wants. Both can choose to continue sectarian battles and relegate the Good Friday Agreement to the same status as Bosnia's 1995 Dayton Accords—achieving a shaky peace but unable to secure a lasting one. But each side can agree to differ while also agreeing to govern. It would be wrong, however, to say that both must make the same accommodation. The agreement has given the union with Great Britain a new lease on life by rooting it explicitly in what it always required for its stability—the will of the majority to continue it, which remains, and the acquiescence of the minority to live in it peacefully, which must be developed. This means that the nationalists, while they are the minority, must accept the union and the condition of Britishness and put the achievement of Irish unity, the quest that has convulsed British and Irish politics throughout the twentieth century, to one side as the nations enter the 21st. It is a tall order, but the agreement gives hope it might be done, at last.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Reviews



MAGNUM PHOTOS/ALEX MAJOLI

Ethnic Albanians demonstrate against Serb aggression, Kosovo, March 1998

Kosovar identity is as much an artificial construct as Kosovo itself.

Imagining Kosovo *Aleksa Djilas* 124

How the West Won *David Frum* 132
To Better Order the Universe *Roy Jenkins* 136
Drug Myths from Abroad *Herbert D. Kleber and Mitchell S. Rosenthal* 141

Recent Books on International Relations 145
Letters to the Editor 170

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Review Essay

Imagining Kosovo

A Biased New Account Fans Western Confusion

Aleksa Djilas

Kosovo: A Short History. BY NOEL MALCOLM. New York: New York University Press, 1998, 492 pp. $28.95.

Noel Malcolm's previous books include a biography of a twentieth-century Romanian violinist and composer, a volume engagingly called *The Origins of English Nonsense,* a history of Bosnia, and a life of a sixteenth-century Venetian heretic who studied rainbows. Since he seems to select his literary targets at random, it is tempting to dismiss Malcolm as a popularizer or charlatan. But in *Kosovo: A Short History,* Malcolm emerges as a talented amateur historian, trying hard—the book has 1,154 endnotes and a bibliography in a dozen languages—to produce a serious book about Serbia's southern province, with its almost 90 percent Albanian majority. He is only partly successful.

Can there really be a history of Kosovo? Malcolm recognizes at the outset that there is "something rather artificial about writing the history of territory, as a unit." But he argues that Kosovo has a geographical identity and is an important cultural crossroads. Alas, his account is marred by his sympathies for the Albanians and his illusions about the Balkans.

Kosovo was a central part of medieval Serbia, and Serbian kings built magnificent monasteries and churches there, many of which still survive. Still, Kosovo never had recognized boundaries. In the mid-fifteenth century, after its conquest by the Ottoman Turks, it became an ill-defined region within their empire. In the late nineteenth century, the Ottomans established

ALEKSA DJILAS is the author of *The Contested Country: Yugoslav Unity and Communist Revolution, 1919-1953* and the forthcoming *Yugoslavia: Dictatorship and Disintegration.* From 1987 to 1994 he was a Fellow at the Russian Research Center at Harvard University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the *vilayet* or province of Kosovo, but it encompassed a rather different territory than today's Kosovo. Although after the First Balkan War of 1912 it was again part of Serbia—called then and now by Serbs Kosovo-Metohija—it did not become an autonomous administrative unit. Nor did it achieve such status after World War I, when Montenegro and the South Slav provinces of the former Austria-Hungary joined Serbia to form Yugoslavia, which, until 1929, was officially called the Kingdom of the Serbs, Croats, and Slovenes.

Only after the defeat of the Nazis in World War II did Kosovo achieve autonomy. During the war, the communist-led Partisan Army fought against Germans and other occupiers of Yugoslavia, as well as against rival Yugoslav military formations. While the Partisans were multinational and advocated tolerance and federalism, their Yugoslav foes were extreme nationalists who often collaborated with the fascist enemy. Some leaders of the Serbian royalist Chetniks, for instance, planned to "cleanse" the Serbian lands of non-Serbs. Their designs were foiled in 1945, and Kosovo began receiving self-rule. At first it was a mere *oblast* (region), but in 1963 it became a *pokrajina* (province), like Vojvodina in Serbia's north. In the early 1970s, the old Partisan leader, Josip Broz Tito, and his ruling Communist Party virtually transformed Yugoslavia's federation of six republics (Slovenia, Croatia, Bosnia-Herzegovina, Serbia, Montenegro, and Macedonia) into a confederation. For the first time, Kosovo, together with Vojvodina, achieved a high degree of autonomy and became in some respects—such as separate representation in the federal state and party bodies—coequal to the republics. These changes were finally codified in the 1974 constitution, which some constitutional experts argue conferred on the republics a last-resort right of secession; no one, however, claims that it accorded such a right to provinces.

Except, implicitly, Malcolm. He sometimes calls ethnic Albanians from Kosovo "Kosovars," a misnomer often employed by Western journalists and diplomats. There is no difference between Albanians in Kosovo and those in Albania, Serbia proper, Montenegro, the Republic of Macedonia, or Greece. Kosovar identity is as much an artificial construct as Kosovo itself. It is bizarre to name as Kosovars those Albanian-speakers who live in Kosovo next to the Albanian border, while keeping the name Albanians for those who live in Serbia proper, sometimes more than 60 miles from Albania.

Today Kosovo's approximately 1.8 million Albanians are demanding independence from Serbia, often with weapons in hand. The appearance of an almost 500-page-long "short history" of Kosovo calling them Kosovars can only help their cause. Readers will believe that Kosovo is a well-established historical-political entity and forget that Albanians are a minority within Serbia and Yugoslavia and not a nation, which would have the right to self-determination. Since Malcolm does not hide his sympathies for the Albanians and their struggle for independence, this effect was probably deliberate.

YES, ANCIENT HATREDS

Malcolm entered the field of Yugoslav studies with his *Bosnia: A Short History.* Published in 1994 in the middle of Bosnia's brutal civil war, this well-written book was an instant success. Not only did it fill

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the gap in Western knowledge about the most central republic of the former Yugoslavia, it also eloquently championed restoring Bosnia's unity and reintegrating its Muslims, Serbs, and Croats, who had been separated by war and ethnic cleansing. Malcolm maintained that Bosnia had a continuous history for almost a thousand years and was a distinct geopolitical entity even while incorporated into the Ottoman Empire, Hapsburg Austria, and Yugoslavia. Unfortunately, many of his misconceptions about Bosnia persist in his Kosovo sequel.

To Malcolm, it was irrelevant that Bosnia's Serbs and Croats were primarily loyal to Serbia and Croatia, not Bosnia, since at least the mid-nineteenth century. He also underestimated how deeply embedded in each of the three groups' collective memory were several major interethnic conflicts in the last century or so in which tens of thousands of civilians were murdered. In 1875, for instance, a major uprising of Christians against Ottoman rule and the Muslim nobility caused a major European crisis that led to the convening of the Congress of Berlin in 1878. During World War II, 400,000 Bosnians out of a total population of 2.8 million lost their lives—every sixth Serb, eighth Croat, and twelfth Muslim. More than half died in fighting between the three groups. Malcolm, however, preferred to stress periods of interethnic peace and cooperation. He assailed what he considered the myth that the current bloodshed was the result of "ancient ethnic hatreds," a fiction that he claimed was preventing Western leaders from intervening. Instead, he blamed the bloodletting on bellicose politicians, especially those in Belgrade. But the leaders of the three groups, while undoubtedly evil and guilty, could never have won over large majorities of their peoples for their chauvinistic designs if the memories of past suffering at the hands of the others and a hidden thirst for revenge had not been there.

Almost three years have passed since November 1995, when the United States brokered the Bosnian peace accords at Dayton, Ohio, but Bosnia is still separated into Muslim, Serbian, and Croatian parts. Hardly any refugees are returning home, and the common Muslim-Serbian-Croatian government in Sarajevo meets only when the West pressures its members. There are now about 34,000 NATO-led troops, including some 7,000 Americans, policing Bosnia and protecting the Bosnians from themselves. That the NATO force's departure is far from sight is a powerful refutation of Malcolm's belief in impending reintegration and interethnic harmony.

MY OWN PRIVATE KOSOVO

In *Kosovo: A Short History,* Malcolm is more realistic. He does not underestimate the importance of differences between Serbs and Albanians in terms of ethnicity, language, and religion (all Serbs are Eastern Orthodox, while Albanians are predominantly Muslim, although some are Catholic or Eastern Orthodox). Kosovo, he concedes, was not "always a wonderland of mutual tolerance." At the same time, his starting point is the same as in *Bosnia: A Short History*—"ancient ethnic hatreds" are not the cause of the present conflict. He then searches obsessively for those rare historical occasions when Albanians and Serbs fought on the same side rather than against each other.

But why, then, does Malcolm support Albanian demands for independence? In

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Bosnia, he advocates restoring a unitary state. To be consistent, he would have to demand the reintegration of autonomous Kosovo into Serbia and the resolution of the Albanian-Serbian conflict through Albanian participation in Serbia's political life—giving the same prescription for Kosovo that he gave for Bosnia.

Malcolm fails to grasp the consequences of his inconsistency. While he chastised Bosnia's Serbs and Croats for refusing to fight for their rights in Sarajevo's parliament, he shows great understanding for Kosovo's Albanians' systematic boycott of elections in Serbia and Yugoslavia. But Albanian abstentions greatly harmed the Albanian struggle for their rights and the development of democracy in Serbia and Yugoslavia. Serbia's nationalistic president, Slobodan Milošević, all but extinguished Kosovo's autonomy in 1988 and, as Malcolm movingly describes, put Kosovo under police rule and fired tens of thousands of Albanians from state enterprises, the educational system, the police, and the judiciary. Albanians responded by creating a parallel political, economic, and educational system and avoiding military conscription and payment of taxes (their motto could have been a paraphrase of the slogan of the American Revolution: no taxation without representation). All Albanian political groups agreed to accept nothing less than complete independence for Kosovo and under no circumstances to participate in the political life of Serbia and Yugoslavia. But if the Albanians had voted, they could have decisively influenced the presidential elections in Serbia and Yugoslavia, and their representatives would have made one of the strongest parties in both parliaments. There they could have successfully fought for their rights and the restoration of Kosovo's autonomy—and even, through alliances with Serbian opposition parties, helped oust Milošević's socialists.

BLAME THE TURKS

Malcolm claims that the present Albanian-Serbian conflict has its origins in the First Balkan War of 1912, when the Serbs defeated the Ottoman army and, as Serbs still say, "liberated Kosovo after five centuries under the Turkish yoke." According to Malcolm, however, Kosovo was "conquered"; last May, Secretary of State Madeleine K. Albright said the Serbs "occupied" it. Malcolm vividly describes atrocities committed against Albanian civilians by the Serbian army, its Montenegrin ally, and especially Serbian paramilitaries. Other participants in the war—Bulgarians, Greeks, and Turks—also committed horrifying crimes against either civilians or prisoners of war. Serbian atrocities, however, did not create the "systematic hostility and hatred" between the Albanians and Serbs, but only exacerbated them. The enmity is rooted in centuries of discrimination against the Serbian Orthodox Church and oppression of Serbian peasants by Muslim Albanian lords and their followers—a point Malcolm lightly dismisses. He may be right that the main motive of the Albanian lords was the thirst for power and financial gain, rather than ethnic or religious bigotry. But the oppression would not have been possible had there not been ethnic and racial awareness and had the Serbs not been considered a different and inferior ethnic group.

Religion was even more important. As Bernard Lewis, the historian of the Middle East, has pointed out, the traditional

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ottoman political and social ethos "had its roots in classical Islamic law and custom, [and] was based frankly on inequality, since it would be inappropriate and indeed absurd to accord equal treatment to those who accept God's final revelation and those who willfully reject it." In the Balkans and elsewhere in Europe, Islam was often less fanatical than any Christian confession, but it nevertheless obliged Muslims to discriminate against other monotheistic religions. In both Kosovo and Bosnia, which lay on the Ottomans' border with their great enemy, Catholic Europe, discrimination against Christians was particularly harsh.

Even if the causes of the Albanians' plight had been purely political and economic, the Serbs would still inevitably have perceived both Islam and Albanians as oppressors and enemies. Analyzing post-1945 operations in Kosovo by the Yugoslav communist secret police, Malcolm points out that only 13 percent of the officers were Albanian, which added "to the increasingly bitter sense of ethnic polarization in the province." Of course it did, because Albanians felt subjected to alien, colonial rule, as did the Kosovo Serbs during the centuries of Muslim Albanian rule.

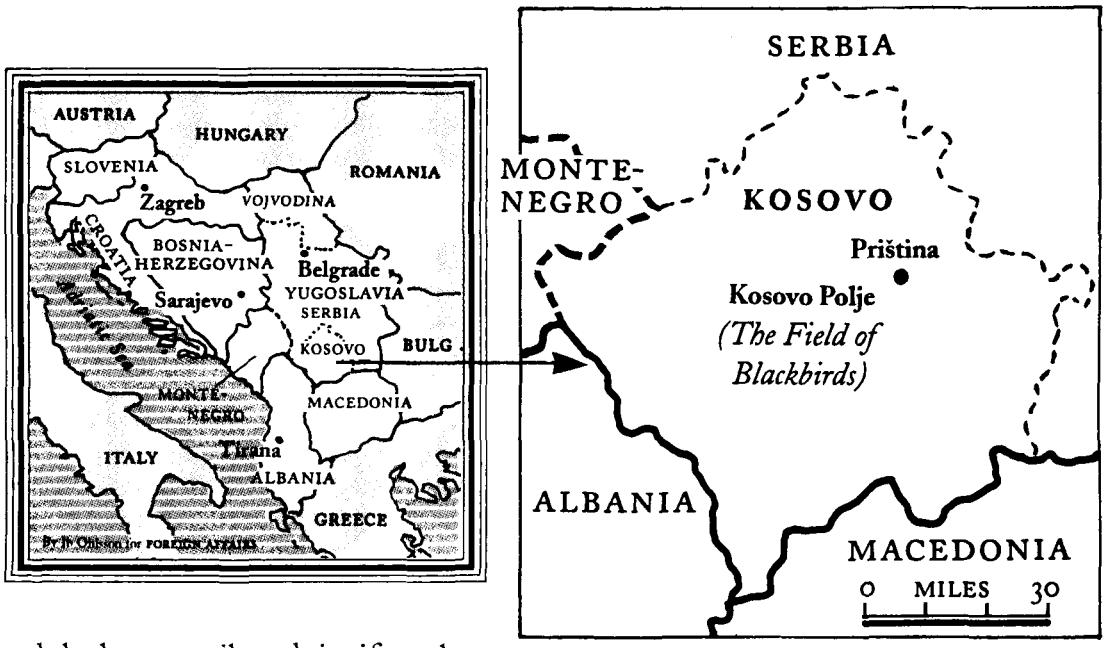
MYTHS AND FACTS

Malcolm was for many years a columnist for London's *Daily Telegraph*, which accounts for his lively, even gripping, writing. Unearthing the roots of the passion with which he tries to demolish most of the Serbian historical claims to Kosovo is much more difficult. He attacks the "myths" of Serbian history with particular zeal, including some that are not myths at all but only somewhat simplified historical narratives enshrined as symbols in Serbian collective memory.

Such, for example, is the "myth" of cruel and backward Ottoman rule, a myth that all other Balkan nations except Bosnian Muslims and Muslim Albanians share with the Serbs. It is indeed wrong, as Malcolm convincingly argues, to reduce Ottoman rule to barbarism, Muslim fanaticism, slavery, torture, and the suppression of Christian faith and national identity. The Turkish authorities, in the first centuries of their rule, often imposed lighter taxes than previous Christian rulers, interfered little in the details of everyday life, and made compromises with Christian churches. Still, the Ottomans and those inhabitants of the Balkans who converted to Islam had either monopolistic or privileged positions in political, military, judicial, and economic affairs, while Christians, both Orthodox and Catholic, suffered virtual social and political death through their loss of power and social status. Malcolm writes that "in the last two centuries of Ottoman power there were many cases of arbitrary rule, violence, and oppression," but he fails to mention that this was also true of earlier centuries.

In particular, Malcolm attacks the popular Serbian interpretation of the 1389 defeat of the Serbs at the hands of the conquering Turks at the battle of Kosovo Polje, or the Field of Blackbirds. He is, of course, right to point out that the Serbian army was not purely Serbian (the Bosnians being their main ally), that the battle was not a complete defeat for the Serbs, that their state survived well into the fifteenth century, and that its decline had begun after Emperor Dusan died in 1355. Yet there is a germ of truth in the popular myth. The battle was extremely bloody, both the Turkish sultan and the Serbian prince perished,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



and the loss contributed significantly to the final Serbian collapse.

Malcolm believes that nineteenth-century nationalist intellectuals gave the Kosovo legend its nationalist spin, making it the defining event of Serbian history. Admittedly, this was the century of European nationalist revivals, for Italians, Poles, Germans, Greeks, Serbs, and Albanians, among others. But the nineteenth century only revolutionized national identities already formed by language, culture, religion, and, above all, history. The Kosovo battle became an ineradicable part of Serbian history immediately after 1389. Literary treatments soon appeared. The Field of Blackbirds inspired the greatest cycle of Serbian epic poetry, which was full of hope for the final victory and deliverance. The Homeric grandeur of these poems so captivated Goethe's imagination that he learned Serbian to be able to read them.

When Malcolm exposes Serbian historical myths, he actually uses the arguments of Serbian historians, who had disentangled most myths from facts by the 1930s. On rare occasions Malcolm really is original, as when trying to debunk the Serbian "great migration" of 1690. When the Hapsburg troops fighting the Ottomans were forced to withdraw from Kosovo, thousands of Serbs who had been on the Hapsburg side followed them rather than endure Ottoman reprisals. They later settled along the Hapsburg border, while the Albanians moved from their mountains into depopulated Kosovo. Malcolm attacks the authenticity of all elements of this story with perverse eagerness. As Tim Judah, the author of *The Serbs: History, Myth and the Destruction of Yugoslavia,* puts it, in his views about the migration "Malcolm is rather like someone claiming that the Mayflower sailed from America to Britain or that Ellis Island had little to do with immigration to the United States."

Malcolm's biases can also be seen in the fact that, of the 31 archives and libraries he consulted, none are in Serbia. He failed to visit the relevant research centers in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other Orthodox countries, like Greece and Bulgaria, restricting himself mostly to Catholic ones, especially in Italy and Austria. Among the international group of people thanked in the acknowledgments, there are half a dozen Albanians but not one Serb.

NO EXIT?

At the end of his book, Malcolm writes, "Serbia had already lost Kosovo—lost it, that is, in the most basic human and demographic terms." To help resolve the Kosovo problem, the Serbs should recognize "that the territory conquered in 1912 already had a majority non-Serb population." In both instances Malcolm is right, although the Serbs would be more likely to accept his messages if he did not dispense them with such glee. (Its puckishness aside, *Kosovo: A Short History* should be published in Belgrade, where it would provoke a fruitful controversy.)

The Serbs' minority status in Kosovo has only deepened. In 1912 the Serbs represented over 40 percent of the population of Kosovo; today they comprise less than 10 percent. How did that happen? Malcolm wrongly believes that abortion is a "normality" for Serbian women and that therefore the Serbs "had only themselves to blame" for being outnumbered by the Albanians in Kosovo. But Serbian sexual mores and population growth resemble those of European and other countries where many secondary school and university students are women (in Serbia, the figure is more than half). In this respect, the Albanians are Europe's oddball people. While Malcolm shows little sympathy for Albanian women, kept in subservience by a traditional, male-dominated Muslim society, he does admit that with almost seven children per woman in the villages in the 1980s, the Kosovo Albanians' birth rate is Europe's highest.

Moreover, many Serbs left Kosovo during World War II and in the 1970s and 1980s, when Kosovo enjoyed a great deal of autonomy, because Albanian extremists forced them to—by murdering, threatening, taking their jobs and land, killing their cattle, felling their orchards, and even occasionally attacking their women. Malcolm underplays these causes for Serbian flight, insisting instead that Kosovo was simply poor and that better land and jobs were to be found elsewhere.

Despite Malcolm's errors in emphasis, he is right about the poverty. Kosovo's social and economic problems are so vast that it has to be granted considerable autonomy simply because Serbia cannot afford to subsidize it. Rural overpopulation is the main cause of Kosovo's poverty, but its once rich lead and zinc mines are also being exhausted. About half of the Albanian work force is unemployed. The costs of keeping numerous units of the Serbian police and Yugoslav army in Kosovo to fight Albanian separatism are also huge—especially after this spring's appearance of the Kosovo Liberation Army (KLA), a blend of a terrorist organization, a guerrilla force, and a popular uprising waiting to happen, which fights for the unity of all Albanians in the Balkans and declares political pluralism a "luxury." Finally, international sanctions imposed on Serbia for its repressive policies inflict incalculable economic losses. Serbian nationalism, it seems, is not only intolerant and bellicose but also bad for business.

With Belgrade in disfavor, all Western governments demand significant autonomy for Kosovo (without precisely stating what

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that means) and simultaneously insist that Kosovo cannot become independent because this would violate the borders of Yugoslavia, a sovereign state protected by the U.N. Charter and other international documents. The other argument they frequently summon, perhaps implying that the first one should not be taken too seriously, is that Kosovo's independence would engender further, potentially catastrophic changes of borders in the Balkans and its environs. Secessionist Albanians in Macedonia, Greeks in Albania, Serbs and Croats in Bosnia, Hungarians in Romania, and Kurds in Turkey would be encouraged, while Bulgaria might be tempted to annex Macedonia, whose Slavic inhabitants it considers co-nationals. The West seems not to realize that an independent Kosovo would immediately unite with Albania and upset the precarious balance between Albania's mutually antagonistic Geg north and Tosk south, which could restart the 1997 civil war.

Since its meeting in London on June 12, the Contact Group (formed in 1994 to bring peace to Bosnia and consisting of representatives of the United States, Russia, Britain, France, Germany, and Italy) has repeatedly demanded—with Russia the lone dissenter—that the Yugoslav army and the special units of the Serbian police, which have on several occasions used "excessive force," unconditionally and immediately withdraw from Kosovo. NATO, as well as the United States on its own, have also threatened military intervention and bombing. These Western policies not only encouraged the KLA but created deep divisions in the nonviolent Albanian independence movement.

Egged on by confused, biased writers like Malcolm, Western pressure is so intense that Kosovo will soon become autonomous. The main problems, therefore, are preventing the Albanians from seceding once Kosovo's political institutions are under their control, protecting the Serbs from being expelled by the triumphant Albanian majority, and keeping Serbian churches, monasteries, and historical monuments from being destroyed. The solution, if there is still time for one, must include some autonomy *inside Kosovo for majority-Serbian regions* and the most sacred Serbian holy sites, which together comprise about a quarter of Kosovo; an end to Albanians' boycott of elections and their rejoining the political life of Serbia and Yugoslavia; permanent stationing of numerous Western civilian and military observers; and a slow, Western-monitored transfer of the police from Serbian to Albanian hands, with perhaps a third of positions always remaining Serbian as a safety guarantee. But before a constructive debate can begin, Albanians must halt their militancy, Serbs must abandon their intransigence, and the West must outgrow its confusions—not necessarily in that order.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Review Essay

How the West Won

History That Feels Good Usually Isn't

David Frum

Guns, Germs, and Steel: The Fates of Human Societies. BY JARED DIAMOND. New York: W.W. Norton, 1997, 480 pp. $27.50.

Virgil claimed that it was Rome's task to show mercy to the conquered and overthrow the proud. Two thousand years later, America's professors have assigned themselves the old Virgilian project. Book after book is published in a vast effort to convince Americans to think more highly of foreign peoples and cultures—especially those once deemed primitive—and less highly of themselves.

This is sometimes called the "therapeutic" approach to history, but it might be more accurate to call it the anti-imperialistic approach. The imperialist writers of a century ago sought to show how once small, backward peoples—the English, the Americans, the Prussians—built states and then, through their own superior personal qualities, rose to dominate a continent or the globe. The new anti-imperialist writers want to tell exactly the opposite story. The rise of the West, as they tell it, reflects no honor or glory on Western civilization. If it happened at all—and some anti-imperial writers deny it—it only proves the West's superior ruthlessness and cruelty. Or else, as other anti-imperial writers say, the rise of the West was the result of happenstance: the good luck of having plenty of iron and coal conveniently close, a temperate climate, easy access to the sea. Much of the anti-imperial school's writing can immediately be recognized as exercises in excuse-making. But as the screenwriters of Hollywood occasionally remind us, even very bad genres can sometimes produce good works.

A good example of a bad genre is perhaps the best way to describe Jared Diamond's *Guns, Germs, and Steel.*

DAVID FRUM is a Senior Fellow at the Manhattan Institute.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Diamond is an evolutionary biologist by training, but over the past quarter-century he became interested in what he calls "Yali's question." Yali was a local politician Diamond got to know while doing fieldwork in New Guinea. Diamond describes him as inquisitive and charismatic but tinged with resentment. As Diamond remembers it, Yali's question was posed like this: "Why is it that you white people developed so much cargo and brought it to New Guinea, but we black people had little cargo of our own?" The world has been grappling with this question for the past 400 years. Diamond is one of the very few authors to produce an answer that is both original and convincing.

Diamond's intentions are, as he frankly confesses, apologetic. He believes that most Westerners inwardly explain their success in racial terms, and he aims to show that white Americans, Europeans, and Australians owe their prosperity and power much more to chance than to their own merits. Despite his polemical intent, he has produced one of the most fascinating works of history in recent times.

TRAPPED IN A BUBBLE

Diamond believes that the peoples of Eurasia got a head start over the rest of the world 13,000 years ago and that they owed that lead to the accident of the distribution of wild grains. Diamond convincingly contends that the ancient Fertile Crescent—the arc of arable land that spreads from Palestine across southern Anatolia and down through Mesopotamia—was uniquely abundant in potential food crops. Wheat was indigenous to the Fertile Crescent. So were lentils and chickpeas. No other place on earth was equally blessed. America might have had maize and apples, but what convinced early humans to switch from hunting to farming was not the availability of any one food but a sufficient number of them to offer a balanced and secure diet, which America, Africa, and Australia each lacked. Early agriculture competed with hunting as a way of life, and only in places where the plants existed to prove agriculture clearly superior could it take off. The Fertile Crescent met that requirement better than any other place, and so it was there that agriculture began.

Ditto for the domestication of animals. Eurasia boasted more usable species of animals than any other region. By Diamond's calculation, of the world's 148 big wild land herbivores, only 14 are suitable for domestication and only five can thrive across a broad range of climates: sheep, goats, cows, pigs, and horses. Of the five major and the nine minor domesticatable animals, 13 are indigenous to Eurasia, one (the llama) is indigenous to South America, and none are indigenous to North America, Australasia, or sub-saharan Africa. Africa has animals that can be tamed, like the elephant, but none that has ever been domesticated.

Eurasia's agricultural head start led to its head start in every other way. The first societies to become agricultural were the first to develop complex social structures, specialized armies, and eventually the guns and steel of Diamond's title.

As for the third element of that title, germs, that too was an advantage traceable to Eurasia's agricultural head start. Most infectious diseases originated from human interaction with animals. Because Eurasians developed animal husbandry earlier than anyone else, and with a wider

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

variety of animals, they developed stronger immune systems than either native North Americans or native Australians.

The Fertile Crescent's agricultural and epidemiological breakthroughs spread throughout Eurasia because of another lucky break: unlike America and Africa, which extend northwards and southwards, Eurasia extends eastwards and westwards. For primitive humans, this was an important difference: crops and herds move more easily between regions of similar climate than they do from warmer to colder regions. It took thousands of years to create species of maize that could grow in the northeastern United States. The wheat of southern Turkey, by contrast, could quickly and easily spread to southern Europe, north Africa, northern India, and eventually northern China. Likewise, humans move more easily westward and eastward, where they encounter similar kinds of germs. Diamond writes, "The cool highlands of Mexico would have provided ideal conditions for raising llamas, guinea pigs and potatoes, all domesticated in the cool highlands of the Andes. Yet the northward spread of these Andean specialities was stopped completely by the hot intervening lowlands of Central America. Five thousand years after llamas had been domesticated in the Andes, the Olmecs, Maya, Aztecs, and all other native societies of Mexico remained without pack animals and without any edible domestic mammals except dogs."

What was true for agricultural technology was true for technology of other kinds. Diamond observes that all early Old World wheels were made in the same odd way—by joining three planks together around an axle—which suggests that the idea was diffused. The same seems to have been true for writing. But while writing quickly spread throughout Eurasia, it was unable to make the much shorter hop from Mexico, which had a writing system, to the Andes or the mouth of the Mississippi, where sophisticated agricultural societies could have made use of it. As Diamond tells it, non-European societies were trapped in ecological bubbles by their geography and in intellectual bubbles by their illiteracy. Describing the ambush and capture of the Inca emperor Atahulpa by Francisco Pizarro's Spaniards at the Peruvian highland town of Cajamarca in November 1532, Diamond wonders why the Indians were so easily tricked. His answer: illiteracy made them gullible. "From books, the Spaniards knew of many contemporary civilizations remote from Europe, and about several thousand years of European history. Pizarro explicitly modeled his ambush of Atahulpa on the successful strategy of Cortes. In short, literacy made the Spaniards heirs to a huge body of knowledge about human behavior and history. By contrast, not only did Atahulpa have no conception of the Spaniards themselves, and no personal experience of any other invaders from overseas, but he also had not even heard (or read) of similar threats to anyone else, anywhere else, anytime previously in history."

SCHOLARSHIP AS SOCIAL WORK

This summary cannot do justice to the precision and scientific learning of Diamond's account. Like William McNeill's *Plagues and Peoples*, this book's melding of disciplines, in this case botany and zoology with history, alters the way one thinks. It is not to be missed by anyone interested in the ancient problem of why some nations are rich and others poor. It is a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

much better book than David Landes' overpraised *The Wealth and Poverty of Nations*—a series of brilliant individual insights linked by a badly out-of-date belief in investment-driven growth and command economies. And its conclusions are even more provocative than Thomas Sowell's *Conquest and Cultures*, although Sowell's teaching that war, conquest, and enslavement are the historical norm—a norm that has often made future progress possible—is a useful antidote to *Guns, Germs, and Steel.*

And yet, as fascinating as this book is, it is also in important ways destructive. It is untrue to claim, as Diamond does, that the traditional account of the rise of the West was an implicitly racist one. At least in this century, the traditional account of the rise of the West has given credit to its propitious political and social institutions. That is not true only of recent times, when the institutions in question are liberal ones, but of more ancient history as well, when the West benefited from the devolution of power implicit in feudalism and the scope for free thought created by the independence of the medieval Christian church from political control. And that traditional account agreed, with varying degrees of certainty, that those traditions were more or less available to anyone else and would have more or less similar results wherever they were tried. Today Latin American and Asian countries are rocketing toward prosperity (with a bump or two along the way) by mimicking the institutions painfully evolved in England and North America. Curiously, at the very moment when the evidence seems strongest for this insitutional theory, we seem most eager to believe that backward countries are the helpless victims of their pasts.

This reproach is especially pertinent in Diamond's case because his own intentions are so stridently polemical. He wants to scold Westerners for ever having looked down on others and to lift up those others who feel demoralized by the West's superior success. "We keep seeing all those glaring, persistent differences in people's status," he writes. "We're assured that the seemingly transparent biological explanation of the world's inequalities as of AD 1500 is wrong, but we're not told what the correct explanation is. Until we have some convincing, detailed, agreed-upon explanation for the broad pattern of history, most people will continue to suspect that the racist biological explanation is correct after all."

We can all agree that racist arrogance is wrong, both in fact and on principle. But today, racist arrogance is both less prevalent and less dangerous than the opposite danger: a self-pitying refusal to learn from the success of others. History has its victims, of course, and Diamond's account of how those victims became victims is powerful and illuminating. But the best way to deal with one's victimhood is by putting it behind one, rather than lounging upon it and indulging it. History should not be written with the intent to help: it is scholarship, not social work, and its only criterion of success is truth. Still, if it seeks to help, it ought actually to be helpful. And despite its originality and erudition, the lesson that this book seeks to impart is anything but that.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Review Essay

To Better Order the Universe

Recalling Dean Acheson

Roy Jenkins

Acheson: The Secretary of State Who Created the American World. BY JAMES CHACE. New York: Simon & Schuster, 1998, 512 pp. $30.00.

I first met Dean Acheson in the week of the Bay of Pigs at what he rather charitably described as "a meeting of intellectuals" in Bologna, Italy. The occasion, rather than the attendance, is described on page 389 of Chace's authoritative and reasonably succinct biography of the 51st secretary of state. For me, then a relatively young backbench Labour member of the British Parliament, Acheson trailed clouds of glory, not only for the assured authority of his personality, but for his record as perhaps the key member of a team of architects—the others were Harry Truman, George Marshall, Ernest Bevin, Robert Schuman, and Jean Monnet—who built a Western world that was first a secure bastion and then a lighthouse that sent out a beam of attraction that was eventually to destroy the menace of the Soviet empire. Acheson was not an unduly modest man, but when he called his 1969 memoirs *Present at the Creation,* it was an understatement.

I last saw him in December 1970 at a Washington dinner party given by the late author Douglass Cater and his wife, now the stepmother-in-law of the king of Jordan. By this time Acheson, who toward the end of his secretaryship of state had been bitterly denounced not merely as a liberal but almost as a crypto-communist by Senator Joseph McCarthy (and indeed by Richard Nixon), had by a supreme irony come to embrace some views of which the deplorable senator, had he been alive and with the intelligence to understand

LORD JENKINS OF HILLHEAD is Chancellor of Oxford University, a former British Chancellor of the Exchequer and President of the European Commission, and the author, most recently, of *Gladstone, A Biography,* published in 1997.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CORBIS-BETTMANN

The Creator: Dean Acheson sitting in an automobile, c. 1950

Acheson's typically taut and sophisticated expression of them, might well have been proud. Acheson considered the South African and Rhodesian regimes among the best in the world, and Chancellor Willy Brandt with his dangerous *Ostpolitik* an agent of communism, a ludicrous mantle which Acheson himself had once been forced to wear with a mixture of pain and pride.

If these views pointed to a faltering of Acheson's judgment in the last year of his life, this was not accompanied by a similar faltering of the crisp abrasiveness with which he expressed them. The evening for me was memorable for the way in which he put to the sword Edmund Muskie, who was also present, than for the unexpected eccentricity of his own views. The amiable senator from Maine was limbering up for his 1972 presidential bid and eager to get the support of Acheson, whom he appeared hardly to have met. As a result he made the fatal mistake of responding to Acheson's half-teasing but epigrammatically expressed budget of provocation with a long meander which began with the statement that he reckoned he could go along "with about 90 percent of what had been said" (which few sane men would have done) but adding the gloss that there was need for much more democratic participation in policymaking.

Acheson, having listened with impatience to this response, then turned on him like a matador on an old bull. "Are you trying to say, senator, that United States foreign policy should be determined in a series of little town meetings in the state of Maine? Don't ask them, senator,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tell them. When I believe you will do that, I will support you. Until then, not." Whereupon he turned his back on Muskie, effectively dismissing him from the conversation as well as rejecting his ambitions.

WINTER OF THE PATRIARCH

I was half-aware during this exchange that I had observed two defining moments. First, it was one of the last cries of the 30-year history of authoritative American world leadership under the auspices of the Democratic Party. Acheson was a splendid exponent of this tradition, arrogant, elitist, courageous. It was also the moment when, well before his becoming tearful in Manchester, New Hampshire, I realized that Muskie, in spite of his many admirable qualities, would not make a president of the United States. Someone who could not stand up to a fusillade from Acheson, formidable though that could be, was unlikely to be able either to beat Nixon or, if elected, to deal adequately with Leonid Brezhnev or Mao Zedong.

In Muskie's defense, however, it must be said that Acheson did have a reputation for disenchantment with presidents, let alone presidential aspirants. Truman was the exception. He and Acheson supported each other in an alliance of mutual respect and loyalty. But with the rest Acheson was either critical from the beginning or allowed his faint praise quickly to wither. He objected to Franklin Roosevelt on the odd ground, particularly for Acheson, that he called everyone "from his valet to the secretary of state" either by his first name or a nickname, and was in general too assuredly patronizing. He never in my experience referred to FDR (17 years dead when I first knew Acheson) as anything other than a cool "Mr. Roosevelt." He allowed him neither a "president" nor a place in history without a prefix. It was reminiscent of the old lady in Henry James' *Aspen Papers* who always spoke of the poet as "Mr. Shelley." For Eisenhower his enthusiasm was well short of the ecstatic. Kennedy he took to slowly (mainly because of Kennedy *père*), but even after working quite closely with him he said, long after JFK's assassination, that while he was "attractive" and "blessed with real charm" he was well short of being "in any sense a great man." For Johnson, who craved Acheson's approval, he began with a burst of enthusiasm which soon turned to a mounting irritation. With Nixon he began with enmity, followed by a lurch toward forgiving old grievances. Fastidious though he was, Acheson, like most of us, found it difficult to resist the twitch upon the thread of an invitation to a White House (or its near equivalent) consulting session. It was only a year or so, however, before his natural urge to criticize reasserted itself. Long before Watergate he was off Nixon.

THE YOUNG MATADOR

Born in 1893, Dean (an odd name in such a family) Acheson was the son of an Episcopal clergyman of English origin who became bishop of Connecticut. Although his mother was the daughter of a Canadian whiskey distiller and bank president, he was never part of the plutocracy. Everything about him was of discriminatingly high quality, from his upbringing in Connecticut to his school in Massachusetts, his university back in Connecticut, his law school once more in Massachusetts, his law firm with the splendidly Waspy name of Covington and Burling, his high public service posts, his elegant pre–Civil War house in Georgetown, his eighteenth-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

century farm in Maryland. But he was never a New Yorker. He always managed to skip over that city of wealth and fashion on the Hudson, and there was something symbolic about that.

He was thought in middle life to look like the epitome of an Englishman, with his black Homburg hats, his bristling mustache, his waistcoats, his dark town suits and occasionally severe tweeds. Item by item he looked like Anthony Eden, but not in the ensemble. His Englishness was only superficial. This was not because he was trying to look English and failing; what he really looked like was an East Coast American gentleman showing the English how they ought to look if they pulled themselves together and showed a little more moral fiber. Of his British opposite numbers as foreign minister he made Bevin look lumbering, Herbert Morrison slovenly, and Eden too self-consciously negligent. Acheson looked crisp, confident, and a little bossy. He was very clear-sighted, at least to the middle distance, and he had no squeamishness about peering into the abyss of dark alternatives.

THE ESTABLISHMENT ABROAD

Acheson was, however, surprisingly good at personal relations, except perhaps on Capitol Hill. He did not appreciate Prime Minister Attlee's laconic and reclusive quality, but he got on crucially well with Ernest Bevin, the massive and earthy foreign secretary of that British government. The Acheson-Bevin link was important, for, contrary to a general impression that after the years of wartime partnership there was a natural camaraderie between American and British leaders, it was against the trend. Bevin admired Marshall but did not have easy rapport with him. With Truman his relations were vitiated by Israel. Nor were Truman-Attlee relations at all close. Dulles' relations with Eden were abysmal, and were not much better with Churchill and Macmillan. So Acheson's ability to see gold beneath Bevin's rough exterior (he always had a certain liking for roughness alongside his fastidious streak, as in his summer stint at the age of 18 as a tree-feller for the building of the Canadian National Railroad) came at a crucial and testing time for the creation of Western unity.

Acheson, however, had the breadth and sense not to be Anglo-Saxon-centric. He got on almost equally well with Robert Schuman, the ascetic-looking Lorraine lawyer who had been brought up in Metz under the German occupation of 1870-1918 and was an early architect of Franco-German rapprochement. Sometimes he cultivated Schuman too much for Bevin's taste, but that was at least partly because of the growing attachment of the United States to European unity, of which Schuman became the symbol, while Bevin, although determinedly attached to an Atlantic community, stood somewhat truculently offshore from a European one. Acheson was also good with the Gothic arches of Konrad Adenauer's appearance and personality. The Federal Republic of Germany was then abjectly weak, but Acheson had the foresight to treat its first chancellor with a respect that laid secure foundations for a Washington-Bonn axis, at least until Helmut Schmidt became disenchanted with Jimmy Carter's leadership of the alliance.

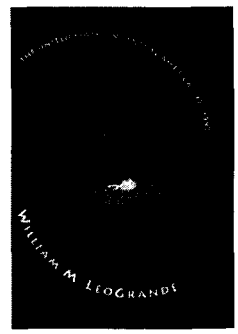
FIRST SERVANT OF HIS STATE

Acheson was in my view a great secretary of state and had many virtues, but he had his faults. Although on the greatest issue of his day he was a moderate, in the sense

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that he wished to contain and not destroy the Soviet Union, he had something of a black-and-white mind and a streak of arrogant perversity. This came out in his 1933 resignation from the Treasury, in his unnecessary and exaggerated throwing of the cloak of friendship over Alger Hiss in 1950, which considerably reduced his effectiveness in his last years at the State Department, and in his flip-flops on Vietnam. On the other hand, it led to his being the solitary figure to greet Truman at Union Station, Washington, on the president's return from the disastrous midterm elections of 1946, which led to one of the most successful president-secretary of state relationships in American history.

Chace provides a wise and well-paced account of the central events of Acheson's life. His difficulty is that Acheson's memoirs were comprehensive and sparkling, and indeed I was struck by the fact that whenever a footnote was interesting enough to make me turn to the reference appendix, the source was nearly always *Present at the Creation*. However, Chace has produced an admirable political biography. There is, thankfully, no attempt at psychosexual revelation, but there are occasional passages on lifestyle, done with perception, restraint and, as far as I can tell, accuracy. On British matters, where I can tell, he tends to be slightly off-the-beam with the detail, but, more important, very much on-the-beam with the major issues. He sees the contradiction in Britain's belief that it could improve its "special" relations with America by remaining detached from European unity, to which U.S. policy was dedicated, with a clarity which unfortunately eluded successive British prime ministers.



Our Own Backyard
The United States in Central America, 1977–1992
WILLIAM M. LEOGRANDE
"Destined to become the standard against which all future books on the Central American tragedy will be measured. A fair, fascinating and always accurate account of conflicting personalities and policies."—Robert E. White, former ambassador to El Salvador and Paraguay
790 pp. $39.95 cloth

The War of 1898
The United States & Cuba in History & Historiography
LOUIS A. PÉREZ JR.
"Will have important implications for all those who study post-1895 U.S.-Cuban relations."—Walter LaFeber, Cornell University
192 pp. $34.95 cloth / $16.95 paper

France Restored
Cold War Diplomacy and the Quest for Leadership in Europe, 1944–1954
WILLIAM I. HITCHCOCK
Foreword by John Lewis Gaddis
"Weaving a subtle story of domestic and international policymaking, Hitchcock shows how the French . . . managed to protect their own vital strategic and economic interests."—Melvyn P. Leffler, Univ. of Virginia
312 pp. $49.95 cloth / $18.95 paper
The New Cold War History

Prelude to Nuremberg
Allied War Crimes Policy and the Question of Punishment
ARIEH J. KOCHAVI
"Casts new light on the inter-Allied conflicts and considerations that ultimately resulted in the Nuremberg trials."—Robert E. Herzstein, author of *Waldheim: The Missing Years*
Approx. 384 pp. $34.95 cloth

AT BOOKSTORES OR BY TOLL-FREE ORDER
The University of North Carolina Press
CHAPEL HILL / PHONE [800] 848.6224 / FAX [800] 272.6817
http://sunsite.unc.edu/uncpress/

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Response

Drug Myths from Abroad

Leniency Is Dangerous, Not Compassionate

Herbert D. Kleber and Mitchell S. Rosenthal

Few issues generate more heat than substance abuse. Most Americans yearn for simple solutions that will make the problem go away. Ethan A. Nadelmann thinks he has found some in the experiences of some foreign countries. These, he argues, are sensible alternatives to America's failed policies ("Commonsense Drug Policy," January/February 1998). But his analysis merely further disseminates myths about overseas "successes" that do much to hinder the evolution of reasonable, popular, and effective U.S. drug policies.

Nadelmann maintains that "drugs are here to stay" and focuses on reducing the harm they cause. True, the United States will never be totally drug-free, any more than it will ever be totally crime-free or disease-free. But that is no cause for despair. Were the United States committed to an unambiguous and full-scale confrontation with illicit drugs, drug use could be brought down to a bare minimum and its extraordinary social and economic costs substantially reduced. There is no convincing evidence that liberalizing drug policies and accommodating drug use will reduce these harmful effects. Nor is there evidence of a need to ease up now. There is, however, ample proof that the consistent exercise of restrictive policies can minimize the damage. Such policies brought drug abuse under control in societies as diverse as Japan and Sweden. Widespread drug use need not be a fixture of modern life.

Herbert D. Kleber, a former Deputy Director of the Office of National Drug Control Policy, is Executive Vice President of the National Center on Addiction and Substance Abuse and Director of the Division on Substance Abuse Research at Columbia University's College of Physicians and Surgeons. Mitchell S. Rosenthal is President of Phoenix House, a national network of drug treatment and prevention facilities.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Those who advocate abandoning U.S. efforts to contain drug abuse often urge Americans to learn from the experiences of other countries. One of their favorite "successes" is Switzerland, which Nadelmann lauds for supposedly showing that keeping addicts on heroin prevents them from committing crimes and using other drugs. Organizers of a 1994 Swiss demonstration reported several benefits from supplying addicts with heroin, including less drug use and crime as well as better health, psychological well-being, and social skills. But these results are based primarily on unverified reports made by the participants themselves. No systematic verification of their claims was made by, say, regular urine screening, HIV testing, or examination of police records. Nevertheless, 18 months into the program, by the unverified accounts of the participants, fully 52 percent of them were using cocaine and a similar number were still using illicit heroin.

The Swiss demonstration, which boasted a retention rate of 69 percent after 18 months, counted as "retained" any participant who periodically returned to the program, no matter how infrequently. Those who dropped out were mostly long-time heroin addicts, heavy cocaine users, or HIV positive. Thus, the demonstration tended to lose those clients with the most severe addiction-related problems—the very persons for whom the experiment was designed. Moreover, although the demonstration was supposed to target hard-core heroin addicts, nearly 20 percent of participants were not heroin users when they entered the program. For a number of reasons, including the unverified self-reports and the lack of appropriate control groups, the demonstration falls far short of scientific standards.

For a more balanced look at heroin maintenance, it would seem sensible to consider Britain's prolonged experience rather than Switzerland's brief experiment. In Britain, heroin maintenance has been available for decades, and many physicians are permitted to prescribe it. Yet today, among the nation's estimated 150,000 heroin addicts, 17,000 are receiving oral methadone and fewer than 400 are kept on heroin. The vast majority of British physicians found no compelling evidence that heroin maintenance is useful.

As Mark Kleiman of UCLA has pointed out, "The risk of heroin maintenance is the incentives it provides to 'fail' in other forms of treatment in order to become a publicly supported addict." Addicts characteristically resist treatment and, given the option, choose the least demanding intervention. The most dysfunctional substance abusers are generally deep in denial and rarely enter treatment unless compelled. Thus treatment's first task is overcoming denial and generating the motivation necessary for recovery. Fortunately, today's intensive, supportive, and appropriately demanding methods of rehabilitation are up to this task. Coerced treatment works. Research has demonstrated repeatedly that drug absuers who enter treatment under duress are no less successful than those who enter voluntarily.

Another favorite foreign myth of liberalization advocates comes from the Netherlands, where the quasi-legal status of cannabis products was thought to have narrowed the gateway to adult use of more potent drugs without significantly increasing adolescent use of marijuana. But quasi-legalization of pot in the Netherlands has proven unpopular with the Dutch, who recently demanded a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

crackdown on the tolerated (though still technically illegal) trade. Although the government still lets coffee shops sell cannabis products, it has slashed the amount permitted for sale or possession from 30 grams to 5 grams and is shutting down shops where heroin or cocaine can be bought.

Research has failed to show that quasi-legalization has broken the link between marijuana or hashish use and the use of cocaine. It has, however, revealed an extraordinary increase in marijuana use among Dutch youth between 1984 and 1996 as cannabis policy became increasingly permissive. In 1984, only 4.4 percent of Dutch adolescents had ever used pot. By 1996, 10.6 percent had. In the 18-to-20 age group, lifetime use rose from 15 percent to 44 percent. In this same age group, only 8.5 percent reported using marijuana in the past month in 1984; by 1996, that had jumped to 18.5 percent. Since 1984, cannabis use in the Netherlands has reached rates comparable to those in the United States.

What makes a rising level of marijuana use, particularly by adolescents, so troubling is not just the gateway pot creates to more potent substances. Marijuana itself is far from benign. It can impair short-term memory, deplete energy levels, and impede normal socialization and maturation—all serious matters during adolescence. Moreover, epidemiological studies reveal a significant level of marijuana addiction. Among all users, including casual ones, 9 percent become dependent, as do 20 percent of those whose marijuana use continues beyond experimentation. Most teenagers who receive residential treatment at Phoenix House have used no drug more potent than pot.

TRUE COMPASSION

Critics of U.S. drug policy argue that simple human compassion requires more lenient drug policies and decriminalizing the possession of drugs. But true compassion demands something quite different. Nadelmann's arguments for reducing the harm to drug users would shield abusers from penalties of their abuse while exacerbating the harm they do their families, their communities, and society itself. A policy that promotes child abuse, domestic violence, the destruction of families, and the devastation of neighborhoods is hardly compassionate.

User-friendly marijuana laws already exist in many states, and there is good reason to press for greater judicial discretion in the sentencing of drug offenders. But no compassionate case can be made for eliminating or significantly diminishing the legal sanctions that now—no matter how imperfectly—limit the spread of drug abuse. Nor can compassion argue for tolerating drug use. When one considers the populations and communities most affected by family dysfunction, social disorder, and violence deriving largely from hard-core substance abuse, the arguments for more lenient drug laws look naive, elitist, or worse.

Dispelling the myths of foreign "successes" would focus the debate on the shortcomings of present U.S. drug policy. With the air cleared of cant, Americans could ask why, with all the talk of a "war on drugs," the United States has never mounted an all-out, all-front assault on illegal drug use.

For a start, such an assault would have to be even-handed. Open-air drug markets could be tolerated no more readily in Harlem, southeast Washington, D.C., or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

South Central Los Angeles than on Manhattan's Upper East Side or in Georgetown or Brentwood. A serious antidrug policy would call for an equally serious federal investment in drug treatment, which research has consistently found to be cost-effective, with a focus on hard-core users. It would require appropriate treatment for criminals, expand court-mandated treatment, and revise restrictive sentencing laws to make possible more treatment in prison, after prison, and instead of prison. The federal government's prevention campaigns would be sustained, with a more aggressive effort to reach children at risk and increased support for broad community antidrug efforts. Finally, funding for research on abuse and addiction would be raised to a level that reflects drugs' true impact on society and cost to the nation. America has not yet begun to fight a real war on drugs, but that is hardly a reason to surrender.

"A fine history!"
—Arthur Schlesinger Jr.

DOUGLAS BRINKLEY

The Unfinished Presidency

JIMMY CARTER'S JOURNEY BEYOND THE WHITE HOUSE

"[A] remarkable book... Douglas Brinkley has told the story of Jimmy Carter's second and subsequent comings with critical sympathy and a wealth of research."
—The New York Times Book Review

"Fascinating...A rich, energetic American story." *—Time*

At bookstores everywhere

VIKING

www.penguinputnam.com

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Recent Books on International Relations

Political and Legal

FRANCIS FUKUYAMA

From Plato to NATO: The Idea of the West and Its Opponents. BY DAVID GRESS. New York: Free Press, 1998, 624 pp. $28.00.

Since the fall of the Berlin Wall, the question of the future of the "West" has become part of the recent political debate over the course of "macrohistory." The West has variously been described as the only available and therefore inevitable model by conservatives, denounced as the source of a unique evil by many on the left, or else relegated to the status of just another (and not necessarily the best) civilization by spokesmen like Lee Kuan Yew and Samuel Huntington. The author of this massive, insightful volume argues that even the West's staunchest defenders do not really understand what the West is. They have, he argues, bought into what he calls the "grand narrative" by which the idea of freedom was born in Greece, nurtured by Roman law, and implemented in the Anglo-Saxon Enlightenment such that it could eventually become the political basis legitimating NATO's self-defense against communism.

In a serious and thought-provoking book, Gress points out that this narrative reduces the West to a lowest common denominator by stripping it of its historical cultural content so as to be palatable to modern liberal sensibilities. Thus religion, and specifically Christianity, was a key element of the Western synthesis, but had to be downplayed because of the West's many non-Christians. Basing contemporary Western identity on relatively thin notions of democracy and market capitalism give it universalist pretensions but rob it of its affective core. The problem with the thin version, Gress points out, is that it is ultimately vulnerable to self-undermining because its universalism begets multiculturalism and moral relativism. Those who hope to defend the West against its rivals would do well to consider the ideas presented here.

The Contract of Mutual Indifference: Political Philosophy after the Holocaust. BY NORMAN GERAS. New York: Verso, 1998, 181 pp. $22.00.

The argument of this book is that the Holocaust and the great evils of our time (famine in Ethiopia, ethnic cleansing in Bosnia) have been met with a "contract of indifference" and swept under the rug by virtually everyone. The author seems to assume that every individual is born with a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

kind of unlimited moral liability, and that if they dare enjoy themselves in innocent pleasures while knowing that torture is going on in some distant part of the world, they are as morally culpable as the Germans who shut their eyes to the murder of their Jewish neighbors. One can legitimately argue whether we as societies and individuals are doing enough to fulfill our duties toward others, although the blanket assertion that the world has been indifferent is hard to sustain. The author's moral reasoning leads to absurd conclusions by not seeking to distinguish between levels of responsibility. The Germans after all voted for Hitler, saw their neighbors being rounded up, and were often in a position personally to help Jewish friends. It seems perfectly natural that people should be more concerned with evils that are closer to them, that involve family, friends, neighbors, fellow citizens, and the like, than with ones that are distant and abstract, even if the latter are much larger in scale.

End-Time Visions: The Road to Armageddon? BY RICHARD ABANES. New York: Four Walls Eight Windows, 1998, 428 pp. $25.95.

Written by a former cult member, this book catalogs all of the various millenarian and other apocalyptic cults that are out there in a wide variety of countries, as well as some historical cases. The book makes for interesting if somewhat creepy reading, and suggests we will be in for a lot of strange behavior as we approach the millennium.

War and the Illiberal Conscience. BY CHRISTOPHER COKER. Boulder: Westview Press, 1998, 240 pp. $39.00.

In the tradition of Fritz Stern and Ralf Dahrendorf, the author provides a cultural and intellectual history of the various strands of illiberalism that arose in reaction to the Enlightenment and industrialism. He pays particular attention to Nietzsche's critique of British liberalism and how the various strands of his thought led to the justification of war as a salvation from the rational, stultifying nature of modern society. This book provides a welcome contrast to the excessively theoretical academic literature on war, and some of the individual sections like those on hunting and child abuse in turn-of-the-century Europe are fascinating. The book tends to flit too rapidly from consequential authors to inconsequential ones, however, and joins in the unfortunate British tradition of bashing Hegel as one of the fathers of twentieth-century totalitarianism.

Nationalism. BY ERNEST GELLNER. New York: New York University Press, 1997, 114 pp. $16.95.

This slim book, written shortly before the author's death, continues many of the themes of his earlier, widely read *Nations and Nationalism* (1983). In a nutshell, Gellner argues that nationalism does not represent some timeless, atavistic force, but rather is a man-made creation that tends to arise as a consequence of industrialization. Phenomena like Islamic fundamentalism can be seen as a similar "disease of the transition." Earlier forager or agricultural societies are too small, segmented, or stratified to support genuine nationalism; only with industrialization and its high degree of occupational mobility does a system that links large numbers of non-kin on the basis of a high culture become feasible. The overall thesis is correct and worth pondering, although it has a hard time accommodating certain

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cases of nationalism arising in agricultural societies (for example, nineteenth-century Serbia). Gellner's sense of humor is evident here as in earlier books, as for example in a chapter entitled "Do Nations have Navels," which explores the question of why nationalists believe their creed is age-old when it is actually of recent provenance. The book concludes with some sound, though rather general, thoughts on how to deal with nationalist passions in Eastern Europe.

The Political Economy of Dictatorship. BY RONALD WINTROBE. New York: Cambridge University Press, 1998, 390 pp. $59.95.

General readers should be forewarned that this book is written from a rational-choice perspective, which is currently the rage in academic political science. While the author provides plain English explanations of his findings at the beginning and end, readers will have to confront a considerable amount of math as the author seeks to model different kinds of authoritarian rule in terms of the interests of the regime's different actors. The best chapters concern the decline of the Soviet Union, where a rational-choice perspective is actually quite helpful in understanding why it was that the Soviet Communist Party could not prevent competition and dissent within its own ranks from ultimately weakening its rule. As in most rational choice accounts, the models are weakest in accounting for moral factors and historically contingent events. The subject of regime legitimacy—how just the elites supporting the regime feel it to be, which is different from the author's "loyalty" variable—cannot simply be reduced to the question of how rents are distributed or how much repression is used. Nor can models explain the embarrassing fact that, had Yegor Ligachev instead of Mikhail Gorbachev succeeded Konstantin Chernenko, the Soviet Union would likely still be with us today.

Economic, Social, and Environmental

RICHARD N. COOPER

A Stream of Windows: Unsettling Reflections on Trade, Immigration, and Democracy. BY JAGDISH BHAGWATI. Cambridge: MIT Press, 1998, 531 pp. $30.00.

Bhagwati, a professor at Columbia University, is an economist of high professional achievement, especially in the theory of international trade and trade policy. He cannot resist commenting on a bad or unworthy argument, hence has prolific output, popular as well as professional. He here collects 56 popular essays, book reviews, and letters to the editor written over the past dozen years. While his reach is broad, the collection centers on the three areas of foreign trade, democracy, and development, and—fittingly for an Indian-born, British-educated American—immigration.

Bhagwati is an uncompromising advocate of free, nondiscriminatory trade, providing cogent up-to-date arguments why the latest assaults on free trade are misguided or simply wrong, and why preferential trading arrangements, such as the proposed western hemisphere free trade area, are both misguided and a threat to multilateral trade. He strongly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

supports wide engagement of the public in political decision-making, that is, democracy, in poor as well as rich countries. He rejects the view that development requires an authoritarian government. And perhaps not surprisingly he has good things to say about international migration. These are essays in persuasion. Even when they do not convince, they provoke thought with their clarity and conviction.

The Wealth of the World and the Poverty of Nations. BY DANIEL COHEN. Cambridge: MIT Press, 1998, 136 pp. $27.50.

Cohen, a leading French economist, nicely bridges the gap between two intellectual traditions. His references are half from English-language professional literature, half from the more historically oriented French literature. His concerns are the marginalization of unskilled workers in modern rich societies, long-term unemployment in Europe, and low wages in the United States. These ills cannot be attributed to globalization, such as imports from China, but rather are due to the changing nature of work—the "third Industrial Revolution"—with its high dependence on the interlocking, complementary skills of all members of a team of workers. The high minimum wage and high unemployment compensation in France assure low hiring rates and long-term unemployment. The author urges instead an earned income tax credit like that of the United States to assure adequate incomes for unskilled workers. He strongly rejects protection against imports, historically a temptation in France, on the grounds that it would deny poor countries the ability to import social, managerial, and technological ideas.

Climate of Fear: Why We Shouldn't Worry about Global Warming. BY THOMAS GALE MOORE. Washington: CATO Institute, 1998, 175 pp. $18.95 (paper, $9.95).

The author, a senior fellow at the Hoover Institution and a former member of President Reagan's Council of Economic Advisers, argues that the costs and risks of reducing carbon dioxide emissions far outweigh the costs and risks of doing nothing, at least for the next several decades. The book's novel contribution to the ongoing debate is its cogent arguments that global warming will probably be beneficial over the next century. There is an especially interesting chapter on climate change over the course of human existence, suggesting that prosperity and progress were much greater in warm periods than in cold ones. A warmer climate in the future would improve health, reduce mortality, enhance the amenities of life, and provide sundry other gains to Americans, against which must be put a modest rise in the sea level. The author debunks the more alarmist claims, but himself unpersuasively warns of a "nightmare of rising unemployment and lower economic progress" resulting from serious attempts to combat greenhouse gas emissions.

A Question of Numbers: High Migration, Low Fertility, and the Politics of National Identity. BY MICHAEL S. TEITELBAUM AND JAY WINTER. New York: Hill and Wang, 1998, 304 pp. $25.00.

A useful reminder to Americans that they are not alone in wrestling with immigration. The book addresses the nexus among fertility, migration, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

domestic politics in eight temperate zone countries: Britain, Canada, France, Germany, Romania, the former Soviet Union, the United States, and the former Yugoslavia. Natural population growth has declined below replacement levels in all except the Central Asian republics. Net immigration, increasingly from very different societies, has made up the difference in the rich countries, but nativist movements have appeared in all of them. The book makes sometimes rambling but fascinating excursions into such matters as the bizarre and deeply unpopular pro-natal policies of Romania's Ceauşescu and the diverse national reactions to Salman Rushdie's *Satanic Verses* (1988). Preserving a national way of life is a legitimate objective, but fear sometimes compels awkward and unsettling debates on who "we" are and what that "way of life" is. Pity the book does not cover China, whose population growth has fallen sharply.

An Ocean Apart: Explaining Three Decades of U.S.-Japanese Trade Frictions. BY STEPHEN D. COHEN. Westport: Praeger, 1998, 256 pp. $65.00.

Made in Japan: Revitalizing Japanese Manufacturing for Economic Growth. BY THE JAPAN COMMISSION ON INDUSTRIAL PERFORMANCE. Cambridge: MIT Press, 1997, 418 pp. $40.00.

An Ocean Apart is a thoughtful attempt to comprehend three decades of trade friction between the world's two largest economies. A professor of international relations at American University, Cohen concludes that the frictions are due partly to misunderstandings but primarily to fundamental differences in culture and social organization. With a sense of distinctiveness, exclusivity, and insecurity, the Japanese have constructed a unique version of private enterprise under government guidance, where government officials consider their role to be to protect the interests of society, which are not coterminous with the interests of typical people. Americans, by contrast, assume a universality to their values—and that others should behave as they would like them to, not always the same as Americans themselves behave.

Made in Japan was stimulated by the 1989 MIT study *Made in America,* with its detailed discussion of weaknesses in American business management and productivity growth. A translation of a 1994 Japanese report, the book is dated: how to overcome a strong yen figures prominently. But it nicely illustrates some of Cohen's points about Japan. It is part analysis, part sloganeering and cheerleading. There are informative chapters on seven industries. The report is meant to provide rhetorical guidance to Japan's businesses and government, which varies from minor redirection to strong reproof. Chapters highly critical of Japan's educational system and corporate leadership are especially noteworthy.

Military, Scientific, and Technological

ELIOT A. COHEN

Clones and Clones: Facts and Fantasies about Human Cloning. EDITED BY MARTHA C. NUSSBAUM AND CASS R. SUNSTEIN. New York: W. W. Norton, 1998, 288 pp. $25.00.

Biotechnology is creeping closer to creepy powers—powers that an earlier

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

generation of statesmen glimpsed as early as 60 years ago and from which they recoiled in horror. Winston Churchill, in a prescient essay in the early 1930s speculated with undisguised fascination and disgust at what tyrants might do if they could breed men like cattle. Many (not all) of the authors of this interesting collection of essays take a more sanguine view, pooh-poohing the alarms of those who think humanity insufficiently wise for such awesome powers. Thus, for example, the brilliant biologist Richard Dawkins is, as ever, weirdly shrill in his denunciation of religious objections to cloning, declaiming against the clergy with an animus so violent that its origins must be genetic. In a note of inspired whimsy, the editors include a poem and several short stories at the end of the volume. A worthy exploration of a discomfiting topic.

The Minuteman: Restoring an Army of the People. BY GARY HART. New York: Free Press, 1998, 188 pp. $23.00.

Before Gary Hart's presidential campaign collapsed over accusations of adultery in 1987, he had made a name for himself as a military reformer—an advocate of low technology and maneuver. In this book he attempts to recover that reputation, despite the triumph of high technology and firepower in the Persian Gulf War. In so doing, he resurrects a fascinating but virtually unknown American military thinker, John McAuley Palmer, a confidant of General George C. Marshall and a passionate advocate of a militia system of military service. Hart proposes slashing the active force by 50 to 65 percent, to be replaced with an overhauled National Guard and Reserve. The proposal is thin on the details, and thinner yet on the geopolitics—how is the United States to maintain its global commitments with weekend warriors? Hart's argument draws on formidable traditions of democratic thought, however, and even if this is very old wine in new bottles, it cannot be dismissed.

Secrecy: The American Experience. BY DANIEL PATRICK MOYNIHAN. New Haven: Yale University Press, 1998, 320 pp. $22.50.

Scholar-statesmen are rare these days, which makes those that remain all the more welcome. Moynihan's book begins with the observation that "secrecy is a form of regulation," and explores at length the role of secrecy in American government. He begins with the early years of the century, but focuses, naturally enough, on the Cold War, to which he devotes more than half the book. Despite its faults (a tendency to recapitulate the scholarship of others, plus lengthy reminiscences in the footnotes), it advances a powerful argument that most secrecy has proven unnecessary. From a proud and unrepentant Cold Warrior comes a forceful exposition of two theses: that "secrecy is for losers," and, more subtly, that the price paid for victory in the Cold War went beyond blood and treasure to a deformation of democratic norms.

How to Be a Cheap Hawk: The 1999 and 2000 Defense Budgets. BY MICHAEL O'HANLON. Washington: Brookings, 1998, 178 pp. $16.95 (paper).

An oxymoronic title is an avoidable misfortune. A cheap hawk belongs in an aviary of mythological birds, inhabited

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

chiefly by parsimonious politicians desirous of appearing tough. The author has produced another survey of the defense budget in the Brookings tradition, calling for modest, sober, and prudent reductions in the defense budget. The tables and graphs are ample, the writing clear, and the references impeccable. The arguments are comprehensive, if superficial, as in a two- or three-page summary of the "revolution in military affairs" debate. But there is a certain willingness to take good news at face value (as when, for example, senior officers blithely say that units have never been more ready while the air force cannot retain pilots and marine helicopters wheeze their way into fatal accidents). The tone is eminently reasonable, but one cannot help but wonder what circumstances would elicit a plea for modest, sober, and prudent increases in the defense budget.

War and the Media: A Random Searchlight. BY MILES HUDSON AND JOHN STANIER. New York: New York University Press, 1998, 338 pp. $35.00.

Most books on this subject come from the computers of journalists or professional media watchers. These authors are rather different: one a British soldier, diplomat, and Conservative politician, the other the first British officer to become director of public relations, and subsequently chief of the General Staff in the early 1980s. Perhaps not surprisingly, there is a great deal of harrumphing about the misdeeds of the press and its power to "usurp the democratic function of Parliament and Congress." Many of the chapters are thinly researched (the one on Vietnam, for example, absurdly so), and the treatment of the press is often patronizing. Still, those in the world of journalism may find this a useful view from the other side of the hill.

Peacemaking and Peacekeeping for the New Century. EDITED BY OLARA A. OTUNNU AND MICHAEL W. DOYLE. Lanham: Rowman & Littlefield, 1998, 352 pp. $65.00 (paper, $23.95).

This overpriced book is edited by two distinguished authors, one the head of the International Peace Academy, the other a professor at Princeton. The authors are a mixture of big names (Boutros Boutros-Ghali, Kofi Annan, Brian Urquhart), carefully selected to represent continents and the spectrum of opinion from enthusiastic supporters of U.N. peacekeeping to carefully considered sympathizers of the same. Skeptics and opponents do not put in much of an appearance, although Adam Roberts and a few of the others display considerably more caution than their colleagues. Yet throughout there is considerable awareness of the limits of the United Nations as an effective institution, even as its role in containing or even suppressing internal war has grown. A curious assumption in most of the essays appears to be that peacekeeping requires the action of a major multinational organization (preferably the United Nations); peacekeeping by one or two countries, or an ad hoc coalition, receives less attention.

On-Site Inspection in Theory and Practice: A Primer on Modern Arms Control Regimes. BY GEORGE L. RUECKERT. Westport: Praeger, 1998, 275 pp. $69.50.

One of the most interesting features of modern arms control is its reliance on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on-site inspection—a particularly intrusive, expensive, and comprehensive way of making sure that countries live up to their commitments. The author served in the U.S. government for 27 years, including a stint as first deputy director of the U.S. On-Site Inspection Agency. No exciting reading here, but rather a primer on the nuts and bolts of peering closely at another country's tanks, factories, and leaking chemical weapons stockpiles.

Women in the Military: Flirting with Disaster. BY BRIAN MITCHELL. Washington: Regnery, 1998, 390 pp. $24.95.

An infantry officer and subsequently a journalist, Mitchell has very little doubt that the American military has not merely gone too far in mixing the sexes, but in so doing has compromised fundamental standards of honesty and honor. This is a fairly well-documented look at such issues as pregnancy rates, non-deployability, double standards in physical fitness, and sexual fraternization. The introduction of large numbers of women into military organizations without the insulation of separate women's corps (a feature of the first half of the century) is one of the greatest sociological changes in contemporary armed forces. Whether the price to be paid for equity and tapping a large and talented labor pool is too high will remain a matter of dispute, but it is hard to argue that there was a price. A book likely to be denounced or ignored, but the latter reaction, at the very least, would be misplaced. This is a polemic, but a serious one, and all the more interesting for the weight of contention on the opposing side.

The United States

DAVID C. HENDRICKSON

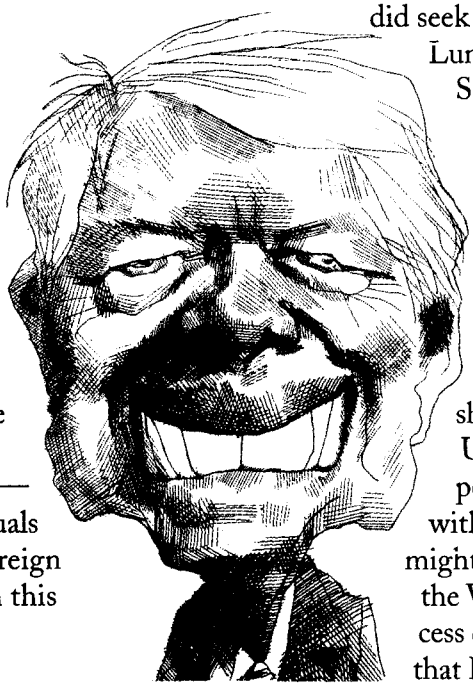
The Unfinished Presidency: Jimmy Carter's Journey beyond the White House. BY DOUGLAS BRINKLEY. New York: Viking, 1998, 586 pp. $29.95.

This excellent study of Carter's life and activities since 1980 is not an "authorized biography" but is, withal, a very well-informed (and extremely admiring) portrait of the ex-president. Carter's efforts on behalf of human rights, which Brinkley estimates have yielded the release of 50,000 political prisoners from 1981 to 1997; Carter's unconventional diplomacy, emphasizing "dialogue with the ostracized" and contact with "outlaws du jour"; his untiring efforts to eradicate disease and hunger; and the role that the Carter Center and its founder have played in monitoring elections and promoting democracy—all this is well recounted by Brinkley, a historian at the University of New Orleans. There are errors: the author reports, incredibly, that Carter and Reagan agreed in late 1980 "that any Soviet invasion of Poland would have to be met head on by a U.S. military counteroffensive." Brinkley acknowledges that Carter, a "tyrant for peace," is not unflawed, with something of a mean streak and a sense of moral rectitude that slips easily into self-righteousness. Yet even agnostics will have to allow that, if there is a God, Carter has often done His work, and that he has, after all, something to be self-righteous about.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

What America Owes the World: The Struggle for the Soul of Foreign Policy. BY H. W. BRANDS. New York: Cambridge University Press, 1998, 336 pp. $54.95 (paper, $17.95).

This book examines the outlook of some of the most provocative twentieth-century American thinkers on U.S. foreign policy. Early chapters summarize the grand and often acute prophecies of Brooks Adams, the outlook of the young Walter Lippmann, the delusions of Lincoln Stephens (who managed to find inspiration in both Lenin and Mussolini), and the "open door at home" championed by Charles Beard. Later chapters focus on the Cold War debates of realists, revisionists, nuclear strategists, and neoconservatives. The narrative displays the characteristic wit and lively style of the author, a historian at Texas A & M and the extraordinarily prolific author of 11 other books. The focus on intellectuals as opposed to public officials lends a certain imbalance to the work, and it is also somewhat artificial to shoehorn these diverse thinkers, many of them quite eccentric and curmudgeonly, into two camps of "exemplarists" and "vindicators." Still, anyone interested in the intellectual history of American foreign policy—or at least what intellectuals said about American foreign policy—will profit from this fair-minded account.



CARTOONIST & WRITERS SYNDICATE

"Empire" by Integration: The United States and European Integration, 1945-1997. BY GEIR LUNDESTAD. New York: Oxford University Press, 1998, 200 pp. $85.00 (paper, $19.95).

A concise survey, intelligently executed, of the motives and consequences behind American support for European integration since the Second World War. Lundestad, a historian at the University of Oslo, argues that the United States strongly supported the integration of Western Europe until the mid-1960s, "somewhat less strongly later." Such support was anomalous compared with other great powers in similar circumstances, whose classic maxim of divide and rule was repudiated by the United States. In view of this well-considered policy, the author concedes that "empire" might not be the right word for the trans-Atlantic relationship, but he uses it because the partnership between America and Europe was never fully equal and because Washington did seek control over its allies. Lundestad sees the United States more as a facilitator than a hindrance to European union, though in all likelihood American policy worked paradoxically in both directions. It facilitated European unity by providing a shield against the Soviet Union and the indispensable framework within which Germany might be integrated into the West, but the very success of containment meant that Europeans no longer

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

faced the imperious necessity to build a full-fledged political and military union.

Proud Servant: Memoirs of a Career Ambassador. BY ELLIS O. BRIGGS. Kent: Kent State University Press, 1998, 430 pp. $45.00.

A wonderfully written and highly amusing memoir from a diplomat of the old school. Briggs, who died in 1976, entered the Foreign Service in 1925 and served as ambassador to seven countries: the Dominican Republic, Uruguay, Czechoslovakia, Korea, Peru, Brazil, and Greece. His political views will appear retrograde, not to say reactionary, to many readers: he was no enthusiast for "busybody diplomacy" and reformist interventions; he thought countries should pay their debts and not confiscate the property of American businesses; he considered the Peace Corps "the ultimate imbecility"; and he often lamented that the ambassador was no longer the boss of the "military hangers-on, superfluous dispensers of aid for the backward, the spook fraternity, the propagandists, and other accretions" that had grown up around American embassies since the 1940s. But while Briggs will not win any posthumous awards for political correctness, most impressive is the flair with which this crusty New Englander evokes the exotic settings in which he found himself and the strange characters he encountered. A truly distinguished work that deserves a wider readership than it is likely to get.

A Cross of Iron: Harry S. Truman and the Origins of the National Security State. BY MICHAEL J. HOGAN. New York: Cambridge University Press, 1998, 480 pp. $34.95.

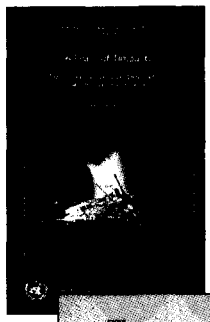
This study examines in meticulous detail the emergence of a new American "warfare state" in the first decade of the Cold War. Hogan, a historian at Ohio State University and the editor of *Diplomatic History,* sets the development of permanently mobilized military institutions in the context of a bitter ideological dispute between old republicans and new globalists, who gave wildly incompatible answers to the fundamental question of "how the country could safeguard its security without losing its soul." Conservative isolationists, drawing upon a republican tradition that was antimilitarist and antistatist, feared that the new measures taken for national security would lead to the emergence of a "garrison state" at home that was the mirror image of the totalitarian enemy. Advocates appealed to the same scheme of values but warned that without such measures Americans would find themselves isolated in a hostile world, necessitating a garrison state beyond the darkest fears of domestic critics. Hogan gives insufficient attention to the role that allies and collective defense played in "the new ideology of national security"; the new thinking, too, was less globalist at the outset than it subsequently became. But the author succeeds brilliantly in demonstrating the impact of political culture on the formation of a new American state fundamentally different from that which existed before.

Economic Sanctions and American Diplomacy. EDITED BY RICHARD N. HAASS. New York: Council on Foreign Relations Press, 1998, 222 pp. $17.95 (paper).

This timely analysis of the efficacy of economic sanctions consists of eight case studies dealing with China, Cuba, Haiti,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

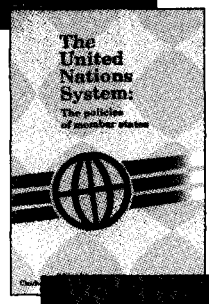
Essential Readings on the United Nations and World Politics



A Peace of Timbuktu: Democratic Governance, Development and African Peacemaking

A Peace of Timbuktu is an exciting story about a crucial subject, peace. This publication offers a frank account of the unfolding of political and civilian conflict in Mali and the efforts of the Malian Government to contain it. The publication offers an insightful analysis of which efforts to restore peace were effective and why. It also examines the role of the international community, especially the United Nations, in helping the Malian Government to restore peace and to re-integrate its disaffected populations and refugees back into civilian life.

E. GV.98.0.3 92-9045-125-4 392 pp. $42.00



The United Nations System: The Policies of Member States

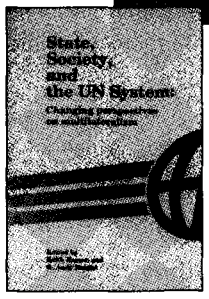
The end of the Cold War has brought dramatic changes in global political relations and in their most important forum, the United Nations. The essays in this volume provide a comparative study of national policies towards the United Nations. Eight countries are highlighted - Algeria, Canada, France, Japan, the Netherlands, Nigeria, the United Kingdom and the United States - each detailing its governments historical position on the United Nations, its past, present and possible future expectations of the organization.

E. 98.III.A.6 92-808-0884-2
520 pp. $38.00

State, Society and the UN System: Changing perspectives on multilateralism

The revival of interest among scholars, world leaders and the general public is closely related to changes in the basic parameters of the post-1945 world order. This book examines, against this changing backdrop, multilateralism and the UN system from the perspective of forces operating within and across states - "state/society complex". In addition to its unique focus, this volume differs from previous studies in focusing attention on seldom-studied states and their policies and practices in relation to the UN system and multilateralism. The case studies describe the most important issues that have been promoted or supported since 1945 and how multilateral participation may have changed, especially in the latter half of the post-war period, and finally consider the impact of their state's policies on the future of multilateralism. The countries studied are: Germany, India, Sweden, Chile, Jamaica and Sierra Leone,

E.98.III.A.16 92-808-0885-0 276 pp. $35.00



The Quotable Kofi Annan: Selections from speeches and statements by the Secretary-General

The Quotable Kofi Annan, presents a selection of quotes from the speeches and statements of UN Secretary-General Kofi Annan, covering the period from his election as Secretary-General in December 1996 through March 1998. This compilation serves as a useful tool for people interested in topics of current concern to the United Nations. The topics covered include: The United Nations in Transition; Peace and Security; Development; Human Rights; Democracy and Good Governance; and The United Nations and its Partners. Taken together, the Secretary-General's statements during his first year in office constitute a wide-ranging commentary on the challenges faced by the international community, and offers invaluable insight into United Nations policies and to its efforts to realize the goals of its founding Charter.

E. 98.I.10 92-1-100653-8 52 pp. $5.00

United Nations Publications
Sales and Marketing Section, Room DC2-0853, Dept. A117, New York, N.Y. 10017
Tel. (800) 253-9646, (212) 963-8302 Fax. (212) 963-3489
Internet: http://www.un.org/publications **E-mail:** publications@un.org

Visa, MC and AMEX accepted. Please add 5% of gross ($5.00 min.) for shipping and handling.

United Nations Publications

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Identity in Formation

The Russian-Speaking Populations in the Near Abroad

DAVID D. LAITIN

Since the collapse of the Soviet Union, nationality groups have claimed sovereignty in the new republics bearing their names. Russian speakers living in the post-Soviet republics face a radical crisis of identity. *Identity in Formation* addresses this crisis.

[This] book employs a unique blend of methods—anthropological digging, survey research, and formal modeling—to reach clear and unsettling conclusions about national identity after Communism."
—Timothy J. Colton, Director, Davis Center for Russian Studies, Harvard University. THE WILDER HOUSE SERIES IN POLITICS, HISTORY, AND CULTURE. 36 tables, 8 charts/graphs, 2 drawings
$57.50 cloth, $24.95 paper

The Myth of the Powerless State

LINDA WEISS

"[E]asily the most intelligent, best-researched, and original account available of the relations between states and capitalist economies in the advanced North. Linda Weiss's careful dissections of economic policies and performance in Japan and East Asia, Sweden, Germany, Britain and the United States demolish most conventional generalizations deriving from neo-liberal, 'globalization' or social democratic theories alike."—Michael Mann, University of California, Los Angeles
$45.00 cloth, $17.95 paper

Libya since Independence

Oil and State-Building

DIRK VANDEWALLE

Dirk Vandewalle supplies a detailed analysis of Libya's political and economic development since independence in 1951. Vandewalle argues that Libya represents an extreme example of a distributive state, one with policies that are politically expedient but economically ruinous.

"[A]n unusually sophisticated and provocative contribution to the theoretical debates about the nature of state revenues and the shape of the state itself."—Lisa Anderson, Columbia University. 1 table, 1 chart/graph. $45.00 cloth, $16.95 paper

Fighting for Partnership

Labor and Politics in Unified Germany

LOWELL TURNER

"Lowell Turner enjoyed unparalleled access to employer associations, trade unions, and individual firms in the new Länder after 1990. Out of this unique data base he weaves a nuanced account of the economic and political challenges confronting these actors at a time of extreme upheaval and uncertainty."—Jeffrey Anderson, Brown University. CORNELL STUDIES IN POLITICAL ECONOMY. $39.95 cloth, $15.95 paper

Alliance Politics

GLENN H. SNYDER

"*Alliance Politics* is an immediate classic . . . laying out the general structural logic and tensions of alliance formation and management. The book is also a classic in style. Snyder's writing is a model of clarity."—Edward Rhodes, Rutgers University

"With a multipolar world emerging, Glenn Snyder's book is right on the mark: a brilliant application of neorealist and other theories to questions of alliance formation and management."—Kenneth Waltz, University of California, Berkeley CORNELL STUDIES IN SECURITY AFFAIRS
20 charts/graphs, 16 tables
$39.95

The Geography of Money

BENJAMIN J. COHEN

"Benjamin Cohen is one of a rare breed of professional economists who have bravely ventured into the dangerous waters of international political economy. *The Geography of Money* is erudite, readable, and will be relished by students of international relations, aware as they are of the looming dangers of globalised finance."—Susan Strange, author of *The Retreat of the State: The Diffusion of Power in the World Economy*. 16 tables
$25.00

At bookstores, or call (607) 277–2211

Cornell
UNIVERSITY PRESS
Sage House • 512 East State Street • Ithaca NY 14850

www.cornellpress.cornell.edu

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Iran, Iraq, Libya, Pakistan, and Yugoslavia. These episodes show both that sanctions often appear to be the least hazardous step available to policymakers—hence their growing appeal in the 1990s—and that the assessment of their utility is highly complex. The concluding chapter by Haass offers both a useful guide through this maze of conflicting evidence and prescriptions that deserve the most serious attention. Among the editor's recommendations are that the costs and benefits of sanctions require as much consideration as the use of force (if only because the former, as in Haiti, may lead to the latter); that multilateral support, from major allies if not from the Security Council, should normally be a prerequisite to their use; that secondary boycotts, such as those embodied in the Helms-Burton Act, are unwise; that greater attention needs to be given to the humanitarian consequences sanctions will often produce; and that states and municipalities should leave the authority to impose sanctions to the federal government, as Congress should allow to the president the discretion to waive them.

Pax Democratica: A Strategy for the 21st Century. BY JAMES ROBERT HUNTLEY. New York: St. Martin's Press, 1998, 243 pp. $45.00.

This important book, dedicated to the memory of Clarence Streit and Jean Monnet, makes an impressive case for the construction of "an Intercontinental Community of Democracies." The world's leading democracies, in Huntley's view, share vital common interests, and they must find more effective ways to advance those interests together. Though the author is refreshingly undogmatic about the form these institutions should take, he does set forth in considerable detail a set of innovative proposals by which existing structures like NATO might be re-configured and new ones created. While some of Huntley's ideas, such as a Caucus of the Democracies at the United Nations, seem quite realizable, others, such as a Parliamentary Assembly of the Democracies, are well in advance of anything around which a political consensus could form. There are, in addition, abiding questions of overextension and excessive centralization (or loss of sovereignty) that must be considered with great care. The author, nevertheless, has performed a valuable service in setting forth an agenda of discussion and in reminding Americans of the stake they have in the preservation of the community of liberal democracies.

Western Europe

STANLEY HOFFMANN

Between Dignity and Despair: Jewish Life in Nazi Germany. BY MARION A. KAPLAN. New York: Oxford University Press, 1998, 290 pp. $30.00.

Marion Kaplan, a professor of history at Queen's College and CUNY, has written a beautifully researched, heartbreaking study of the plight of Jews in Nazi Germany. She pays particular attention to women, forced, she argues, to play roles "as breadwinners, family protectors, and defenders of business or practices" once reserved to men and, partly because they were less engaged in German public and economic life, more willing than men to envisage emigration as the only means of survival. With the help of memoirs and interviews,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and a sensitivity both subtle and profound, she examines the effects of the Nazi regime's increasingly sadistic anti-Semitic measures on Jews' public and private lives, on children at school and at home, the fate of the *Mischlinge,* the worsening of the Jews' condition after the pogrom of November 1938, the era of forced labor and deportation during World War II, and the situation of those Jews who succeeded in living underground or who actively resisted.

Two conclusions stand out. One is about the relentlessly imaginative and varied list of deprivations, humiliations, petty cruelties, and legal torments inflicted by the Nazis on Germany's Jewish minority—525,000 people accused of poisoning the Aryan majority. These measures were taken in a discontinuous way—lulls contributed to Jews' ambivalence about leaving—but their accumulated weight caused Jews' suicide rates to jump. The second concerns the behavior of "ordinary" Germans. There were those who tried to help and hide Jews, but the evidence of "public, gratuitous and unnecessary cruelty" is overwhelming. The 1930s, Kaplan argues, were "highly ambiguous," giving "no clear indication of the genocide to come," but racism "demeaned the perpetrators as it devastated the victims," so that "social death" could "lead to physical death." These are important contributions to our understanding of Nazi Germany—and of the effects of racism in general.

Thinking with History: Explorations in the Passage to Modernism. BY CARL E. SCHORSKE. Princeton: Princeton University Press, 1998, 240 pp. $24.95.

Thinking with history, Schorske tells us, means using the past in order "to orient ourselves in the living present"; it also means looking at ourselves as conditioned by the present "as it defines itself out of—or against—the past." These essays range far and wide: the idea of the city from Voltaire to Baudelaire and Spengler, the uses of the Middle Ages for modern purposes by Coleridge and Disraeli, the cultural development of Wagner and William Morris, the cosmopolitanism of nineteenth-century Basel. Many of them return to the Vienna Schorske had previously explored: the design of museums in the nineteenth century, generational tensions among fin-de-siècle artists, and the reactions of Freud to the alien cultures of France, England, Rome, Athens, and Egypt. What makes this volume even more valuable is a graceful essay in intellectual autobiography; it is candid, devoid of rancor as well as vanity, and elegant—a perfect expression of its author's personality.

British Politics since the War. BY BILL COXALL AND LYNTON ROBINS. New York: St. Martin's Press, 1998, 322 pp. $55.00.

Labour's Landslide: The British General Election 1997. EDITED BY ANDREW GEDDES AND JONATHAN TONGE. New York: Manchester University Press, 1997, 211 pp. $69.95.

Coxall and Robbins, who teach at the University of Brighton and at de Montford University in Leicester, have written a comprehensive and remarkably objective history of British politics from 1945 to the present. They deal not only with domestic politics, but also with Britain's multinational dimension, Britain and Europe, and the rise and problems of the welfare state. A final chapter on three ideological perspectives—the Marxist left, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

new right, and the political center—is particularly welcome.

Geddes and Tonge, who teach at the University of Liverpool and at the University of Salford, have put together an excellent collection of essays on the general election of 1997. The authors show the success that Tony Blair's New Labour has had in appealing to white collar and skilled manual workers—half of the electorate. The Conservatives were defeated by a public perception of their party as "incompetent . . . disunited, and . . . sleazy," and by the electorate's resentment of Tory economic and tax policies of 1992-95. The volume provides crisp analyses of the role of the media (which went massively over to Labour), of the issues of devolution (on which Labour, unlike the Tories, was united), race and immigration (less influential than earlier), and of the place of women (still underrepresented) in the campaign. Short profiles of different constituencies add to the volume's appeal.

Italy Since 1989: Events and Interpretations. BY VITTORIO BUFACCHI AND SIMON BURGESS. New York: St. Martin's Press, 1998, 275 pp. $65.00.

The Italian Guillotine: Operation Clean Hands and the Overthrow of Italy's First Republic. BY STANTON H. BURNETT AND LUCA MANTOVANI. Lanham: Rowman & Littlefield, 1998, 332 pp. $62.00 (paper, $22.95).

These two volumes examine the fall of Italy's First Republic and the first years of the so-called Second Republic, the voters having turned away from the old party system whose corruption had been exposed largely through the efforts of Italy's magistrates in 1992. Burnett, a senior adviser to the Center for Strategic and International Studies in Washington, and Mantovani, chief of the Forza Italia press office for the Chamber of Deputies, concentrate on what they call a "coup" carried out by magistrates who were manipulated by "a few major industrialists" afraid of the effects of the Maastricht treaty and tired of the "increasingly exorbitant" financial demands of the political parties in power. The magistrates, mainly radicals of the left, abused their powers, violated basic freedoms, and brought down the existing political system in an extended operation aimed at benefiting the former Italian Communist Party, now called the Democratic Party of the Left. Like most conspiracy theories, this book is unencumbered by nuances, far more categorical in its assertions than the evidence allows, and unbothered by contradictions.

Bufacchi, a political scientist, and Burgess, a historian, have written a far more reliable and serious volume. It asks an important question: given the weakness of the liberal tradition in Italian political history, have the events that followed the general election of April 1992 introduced a greater dose of liberalism into a parliamentary system that had been confiscated by a "particracy"? They see some hopeful signs, but these remain fragile; the outcry against particracy risks doing away with the party system altogether and bringing about an era of media personalities and parliamentary instability. The most interesting part is the analysis of the mechanisms and causes of corruption. They offer an economic explanation, the fragility of which explains the system's unraveling: "the pay-offs of many individuals changed for the worse," and induced them "to exit

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the market of corruption altogether," by making "spontaneous confessions to the investigating magistrates."

Realms of Memory: The Construction of the French Past. DIRECTED BY PIERRE NORA. New York: Columbia University Press, 1998. Vol. 1: *Conflicts and Divisions,* 1996, 651 pp. $37.50. Vol. 2, *Traditions,* 1997, 591 pp. $37.50. Vol. 3, *Symbols,* 1998, 751 pp. $37.50.

This English language version of parts of the seven-volume monument built by a formidable crew of French historians and social scientists makes it possible for people who do not read French to become familiar with the present state of French historiography and the current fascination with memory and commemoration. Pierre Nora's subtle and brilliant introduction deals with the different kinds of memory—individual, collective, partisan, secular, and religious—and is interested in the differences between the kind of history professional historians write and the more subjective layers of memory. The history historians write is often just as selective and controversial as memory, however, and the reader will find a fine sampling of historical interpretations. These volumes are also about realms of memory: places, people, monuments, emblems, books, ceremonies, and events that occupy a special place in French national consciousness. Some critics have complained about the fragmentary nature of the enterprise and asked whether all these essays add up. The answer is emphatically yes. This is an indispensable guide to understanding France and the French. As usual, Arthur Goldhammer's translation is superb.

Western Hemisphere

KENNETH MAXWELL

The Spanish Inquisition: A Historical Revision. BY HENRY KAMEN. New Haven: Yale University Press, 1998, 369 pp. $35.00.

In this troubling but ultimately unsatisfactory work, which follows quickly on the heels of his well-received *Philip of Spain,* the prolific Kamen has written a provocative revisionist account of the Spanish Inquisition, drawing both on his well-known youthful research on this subject and 30 years of scholarly reconsideration. Much of the image of the notorious tribunal, Kamen claims, originates in anti-Spanish Protestant propaganda, and a "comparison with the cruelty and mutilation common in secular tribunals shows the inquisition in a relatively favorable light. This in conjunction with the usually good level of prison conditions, makes it clear that the tribunal had little interest in cruelty and often attempted to temper justice with mercy." Kamen also reassesses the consequences of the expulsion of the Jews from Spain, whose numbers he believes have been greatly exaggerated by other historians (he puts the number at 80,000, compared to 300,000 or 400,000), and he finds scant evidence for the alleged Jewishness of *conversos*—persons converted from the Jewish or Muslim faith and their descendants—who were the Inquisition's principal victims. While it is certainly true that the Inquisition plays a larger-than-life role in traditional anti-Spanish propaganda, and that many prejudices about Spain have been subsumed in a facile attribution of Spain's decline to the Inquisition's

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ferocious defense of religious orthodoxy, he takes relativism and apology too far. Historians are divided over how the *conversos* should be religiously defined, but it seems almost obscene for a historian centuries later to claim glibly that those Spanish victims of the Inquisition condemned for being Jews, and who in the face of dispossession and torture, and even as flames consumed their bodies, still chose to profess their faith, were in the end not Jews at all because their everyday practice was imperfect and they were "unrecognizable as Jews." Whatever else could a *converso* have done in the sixteenth and seventeenth centuries with the Inquisition encouraging denunciation of those who "keep the Sabbath according to the Law of Moses"?

Holding Aloft the Banner of Ethiopia: Caribbean Radicalism in Early Twentieth-Century America. BY WINSTON JAMES. New York: Verso, 1998, 406 pp. $27.00.

An important addition to the literature on the African diaspora and the story of American radicalism. James, a professor of history at Columbia University, seeks an explanation for the prominence of Caribbean migrants in the radical politics of the first three decades of the twentieth century, when some 150,000 black people mainly from the Caribbean but also from Africa migrated to the United States. He examines the careers not only of the better-known figures from the English-speaking Caribbean such as Marcus Garvey, George Padmore, and Richard B. Moore, but also important participants in radical movements from the non–English-speaking Caribbean such as Rafael Serra and Sotero Figueroa, participants in the Cuban and Puerto Rican struggles for independence, and Jesús Colón and Arturo Schomburg, distinguished Afro–Puerto Rican leaders. James looks in detail at the characteristics of the Caribbean migrants, their heterogeneity and high levels of literacy and educational attainment, as well as their responses to American society and the differing patterns of race within the Caribbean and the United States.

Jews and the American Slave Trade. BY SAUL S. FRIEDMAN. New Brunswick: Transaction Publishers, 1998, 326 pp. $34.95.

In this thorough and scholarly account, Friedman, who is a professor of Jewish and Middle Eastern History at Youngstown State, provides a detailed and utterly convincing refutation of the claims by the Nation of Islam and Louis Farrakhan that Jews dominated the transatlantic slave trade. Friedman has done an extraordinary amount of digging and examines the wide sweep of history as well as tackling Farrakan's claims in detail. He looks at antiquity, examines Marranos in Spain and Spanish America, and the "New Christians," descendants of Jews forcibly converted to Christianity in Portugal in the late fifteenth century, who were a sizable component of the merchant population in the Portuguese overseas territories in Brazil and Africa. He reviews Holland and the West Indies in the seventeenth century and concludes with several chapters on the antebellum American South. His overall conclusion is that Jews played a small role. How much impact Friedman's book will have remains to be seen, but Friedman is right to say that the silence most academics prefer on this question is no answer.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The War of 1898: The United States and Cuba in History and Historiography. BY LOUIS A. PÉREZ, JR. Chapel Hill: University of North Carolina Press, 1998, 224 pp. $34.95 (paper, $16.95).

Pérez, author of several distinguished books on Cuban history and J. Carlyle Sitterson Professor at the University of North Carolina, deconstructs American historiography on the Spanish-American War. Pérez argues that Cubans' participation in what was after all a struggle for independence has been ignored. Those who portrayed what should be called the War of 1898 as one of idealism and moral purpose eventually provoked a counternarrative. Thus Hans J. Morgenthau saw 1898 as the starting point of a foreign policy driven by an "intoxication with moral abstractions" and which was "one of the great sources of weakness and failure in American foreign policy." But both these interpretations overlook the long history of U.S. preoccupation with Cuba in which the strategic and political importance of the island was well recognized. However, the Philippines and Puerto Rico, the impact on Spain of this traumatic ending of its empire, and the comparative aspects of 1890s imperialism, which saw scrambles for colonial territory throughout the world, hardly figure in Pérez' account.

Havana Dreams: A Story of Cuba. BY WENDY GIMBEL. New York: Alfred A. Knopf, 1998, 234 pp. $24.00.

In the Revuelta family saga, Gimbel found the perfect microcosm of the indelible impact of the revolution and Fidel Castro on every Cuban family. At the center is Naty, a beautiful American-educated socialite, wife of a prominent doctor and besotted with the young Castro, exchanging letters with him while he was in jail, and the mother of Alina, Castro's illegitimate and unacknowledged daughter. When Naty's husband and eldest daughter flee to the United States, Naty remains faithful to the revolution. But she is quickly marginalized by Castro. He occasionally appears in her life surrounded by sycophants yet coldly indifferent to her and their child even as he provides for her and her mother with an oddly suspended space of privilege. Having escaped Cuba, it is Alina who Gimbel believes has suffered the most emotional damage "wandering alone, bewildered, lashing out at friend and enemy alike." Moreover, Castro's judgment of Naty was facile and dismissive, "she missed the train," but what train Gimbel asks, wasn't it his train? "And he too was now in trouble, spellbound by his empty rhetoric. Waving at crowds that weren't there."

Eastern Europe and Former Soviet Republics

ROBERT LEGVOLD

General Alexander Lebed: My Life and My Country. ALEXANDER LEBED. Washington: Regnery Publishing, 1997, 399 pp. $29.95.

There are three reasons to read this autobiography: first, the smart money says that if elections were held today, Lebed would be Russia's next president. He comes across as a rather simple military man, distinctly untutored on the larger political issues he now claims to have

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mastered. While he is physically courageous and has a strong sense of fair play, he appears bull-like in getting a task done and not too concerned about the means employed. When younger, he was also quick to use his fists when necessary, which during his years in the military appears to have been fairly often. Second, because his military career occupies much of the book, one learns much about the Soviet and Russian officer corps: its habits of mind, codes of behavior, petty (and these days not-so-petty) corruptions, attitudes toward politicians, treatment of underlings, and politics up and down the chain of command. Third, Lebed held commands in the Afghan war, during the violence in Azerbaijan in 1988 and 1990, in Georgia in 1989, and in the separatist conflict in Moldova's Transdniestr. His account in all these instances, while one-sided, provides an informative ground-level military view.

Chechnya: Calamity in the Caucasus. BY CARLOTTA GALL AND THOMAS DE WAAL. New York: New York University Press, 1998, 416 pp. $26.95.

If governments were forced to suffer on a scale matching the stupidity and callousness of their decisions, the Yeltsin government would be in the last circle of hell for what it did to Chechnya. Gall and de Waal were both correspondents with *The Moscow Times;* he was also with *The Times* of London and *The Economist.* Of the Western journalists in Moscow, they were among those closest to the Chechen war. Their intimate knowledge of all aspects of the conflict is evident at every point in their lucid, lean text. They covered much of the story of the war on the spot, but to complete their reconstruction of the events leading up to the war and the more remote politics of the war itself, they later interviewed a vast cast of participants from both sides. They also steeped themselves in the history of the region, and they use this knowledge to give depth to a disaster that should never have happened. Yeltsin and the ham-fisted band with which he surrounded himself in the months before the December 1994 invasion are not the only villains in this evenhanded account. Dzhokhar Dudayev, the Chechen leader, and his unsavory inner circle match their every stupidity with an equal shortsightedness; their criminal incompetence with a comparable criminality.

The Coasts of Bohemia: A Czech History. BY DEREK SAYER. Princeton: Princeton University Press, 1998, 442 pp. $29.95.

In *The Winter's Tale,* a ship touches the coastline of Bohemia, which Sayer relates to remind his audience that Westerners have not always had a firm grasp of the life and culture of a small people at the heart of Europe's dramas. Nor, to take the more recent example of Neville Chamberlain, have they always much cared. Sayer's mission, however, goes beyond putting this right. He wants to track how from antiquity the Czechs have shaped an identity and then clung to it through centuries of Hapsburg domination, notwithstanding the near expiration of the language in the seventeenth and eighteenth centuries. Sayer's is a cultural history, and rich at that. But because he conceives culture broadly to include not only literature, art, and architecture, but the development of language and the writing of history, he is also tracing the political past. He does so

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

respectfully but not uncritically. Along with the perseverance and talent of the Czech artists and intellectual elite came anti-Semitism, a tendency toward "official Czechness," and a passion for possessing and honoring the nation's history rather than simply understanding it and moving on.

The New Russian Foreign Policy. EDITED BY MICHAEL MANDELBAUM. New York: Council on Foreign Relations Press, 1998, 202 pp. $17.95 (paper).

Five seasoned authors draw the outlines of Russian foreign policy and bring events up to date. Each also takes an important dimension of Russian foreign policy—Leon Aron, domestic politics, Sherman W. Garnett, relations with Ukraine and other new neighbors to the west, Rajan Menon, with new neighbors to the south, and Coit D. Blacker, with the West—and fashions a sophisticated framework for understanding the deeper sources of Russian behavior. Mandelbaum adds a trademark concise, thoughtful background introduction, including intelligent speculation on various paths still open to the Russians. The "new" foreign policy refers to the harder, more self-absorbed line Moscow has adopted since 1993. It is not, the authors argue, as neo-imperialist and anti-Western as some have argued. But, they concede, a great deal of sorting out remains to be done, requiring the West to be less on edge than attentive to the forces pushing Russia one way or the other, as well as skillful when weighing in.

After 1989: Morals, Revolution and Civil Society. BY RALF DAHRENDORF. New York: St. Martin's Press, 1997, 179 pp. $35.00.

In this collection of lectures delivered from 1990 to 1996, Dahrendorf wrestles with his conflicted hopes for the post-communist societies of Eastern Europe. The 1990-91 lectures, which deal most directly with the subject, are pessimistic, in part because he sees the upheaval as revolutionary, and his theory of revolution has revolutions turning out badly. As he thinks his way through the problem, however, he is led to renewed ruminations about the underpinnings of democracy, why it survives where it does even when the going gets tough, and why, if it is worth its salt, it must retain a validity separate from the economic fortunes of society (although not from issues of economic equity within society). Even when he is wrong, as he appears to be about much of Eastern Europe, the wisdom of his analysis may yet make him right farther eastward. For this reason, as well as the wide-ranging speculation on fundamental political themes, including seasoned views on the role of social science as such, the reader will find the book potent intellectual ginger.

Middle East

L. CARL BROWN

Beyond Belief: Islamic Excursions among the Converted Peoples. BY V. S. NAIPAUL. New York: Random House, 1998, 408 pp. $27.95.

Returning to Indonesia, Iran, Malaysia, and Pakistan, which he chronicled in his *Among the Believers* (1981), Naipaul provides an update in his familiar distinctive style. In-depth interviews with a handful of the near-great and the obscure from each

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

country produce brilliant writing and somber stories. Do they add up to a representative sample? What about his framing argument that these non-Arab Muslims are still measuring themselves according to the Arab prototype? Has Naipaul never known Western intellectuals who laud the legacy of the Greeks while dismissing modern Greece? Doesn't Naipaul, in positing an essentialist Islam that must be inflexibly fundamentalist, deny Islam's rich diversity, while ignoring the fundamentalist impulse in most religions? Even so, *Beyond Belief* is rewarding. His subjects are memorable, for example the hanging judge of those early days of the Iranian Revolution (Ayatollah Khalkhalli), revisited 15 years later and now mercifully out of favor; a protégé of Indonesian President B. J. Habibie, in and out of prison, now flourishing in a mix of high-tech entrepreneurship and fundamentalism; or a would-be Pakistani Che Guevara who even after countless lost causes has no regrets. One injustice must be corrected: The late Fazlur Rahman of the University of Chicago was no "fundamentalist fanatic" but an eminent liberal Muslim scholar.

The Process: 1,100 Days That Changed the Middle East. BY URI SAVIR. New York: Random House, 1998, 320 pp. $25.95.

Uri Savir served as Israel's chief negotiator in the Oslo talks with the Palestine Liberation Organization (PLO) from 1993 until his resignation from the Israeli Ministry of Foreign Affairs following the defeat of the Peres government in the 1996 election. This is therefore an insider's account of a major diplomatic development, and it is a gem. Savir reconstructs not only the actions taken but also the strategy and, more important, the mindset governing the Israeli negotiators. He perceptively and empathetically appraises the positions and personalities of his Palestinian interlocutors. The respect and friendship that he relates as having developed with his Palestinian counterpart, Ahmad Quray, is touchingly set out. This is a vividly etched case study demonstrating the many difficulties and the few advantages of negotiations between the weak (PLO) and the strong (Israel), each constrained by past perceptions and their own public opinion. The negotiating style of both Israelis and Palestinians has seldom been better revealed.

Shattering the Myth: Islam Beyond Violence. BY BRUCE B. LAWRENCE. Princeton: Princeton University Press, 1998, 229 pp. $24.95 (paper, $17.95).

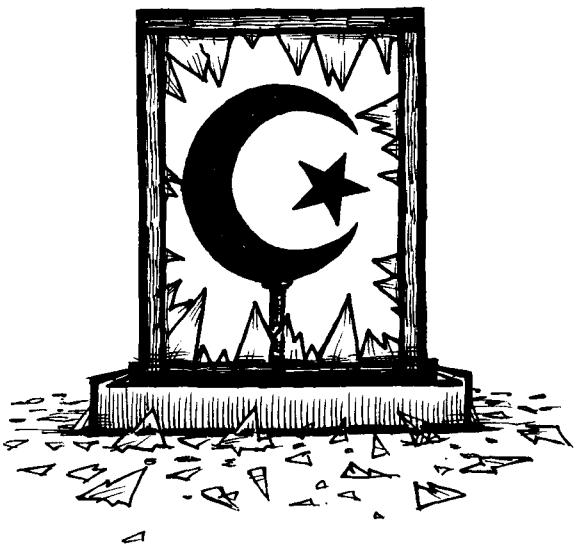
Duke University scholar Lawrence shatters the myth of a uniform Islamic culture by presenting quite different examples from the Maghrib to Southeast Asia. The core and best part of the book offers overviews of Islamism and politics in Pakistan, Egypt, Tunisia, Saudi Arabia, and Iran and a survey of the status of women in Muslim countries, with compelling, contrasting examples from the Indian subcontinent. Many other subjects are addressed. The last chapter, for example, is not a conclusion but a new subject—Muslim responses to the challenge of creating a "corporate culture," concentrating on Malaysia. Lawrence offers no single myth or paradigm to replace the myth he shatters. This book is most usefully read as a rich serving of perceptive insights marred by a few minor errors (for example describing King Ibn Saud as a "Hijazi chieftain" or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

conflating Iran's Tobacco Revolt of the early 1890s and the Constitutional Revolution of the following decade) and debatable assertions ("If Christians are ill at ease with power, Muslims recoil at profit"). Isn't Islam, in Charles Issawi's classic mot, the only world religion founded by a successful businessman?

Crossing the Jordan: Israel's Hard Road to Peace. BY SAMUEL SEGEV. New York: St. Martin's Press, 1998, 420 pp. $29.95.

Veteran Israeli journalist Segev concentrates on the post-1991 phase of Israeli-Arab negotiations but also ranges back in time. His sources are largely notes from interviews over the past two decades with many Israeli officials, several Arabs, and other non-Israelis, a good sampling of the personal memoirs of political figures, and much material from the Israeli and Arab press. With an emphasis on political personalities and rivalries, all set within a dogged reconstruction of who did what when, the book is less concerned with the meaning of it all. Yitzhak Rabin comes off best. Peres is duplicitous if not worse. Israel's Oslo negotiator, Savir, has limited military experience and doesn't quite grasp either Israel's security needs or Arab political culture. George Bush and James Baker were bad, Shamir not so bad. Israeli doves are naive and at times almost tools of Egypt and the PLO. Good words for Palestine's Abu Mazen, not so for Yasir Arafat. The book will be most useful to specialists attempting their own detailed reconstruction of developments. Segev's separate chapters on Israeli relations with King Hassan of Morocco, King Hussein of Jordan, and Saddam Hussein of Iraq offer solid documentation for which any scholar must be grateful, even if not in agreement with the interpretive pitch.



Newsletter of the Economic Research Forum for the Arab Countries, Iran and Turkey. Cairo: May 1998, 28 pp.

The Economic Research Forum is a non-profit regional organization supported entirely by donor institutions, with a mandate to initiate and promote policy-relevant economic research. Each quarterly newsletter, usually 24 to 36 pages, offers succinct articles by experts with such titles as "Why does Human Development in the Arab Countries Appear Low?" "Health Reform in the MENA [Middle East and North Africa] Region," or "Migrant Remittances in the MENA Region." One or more short reviews of relevant new books are also included. High quality and short reports make these newsletters welcome to development economists as well as busy nonspecialists.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Asia and the Pacific

DONALD ZAGORIA

Between Friendship and Rivalry: China and America in the 21st Century. BY PETER W. RODMAN. Washington: Nixon Center for Peace and Freedom, 1998, 101 pp. $6.95 (paper).

This short volume is neither unduly alarmist nor unjustifiably optimistic. The author, a member of the Nixon-Kissinger foreign policy team and later a deputy national security adviser in the Reagan administration, argues that there is a "drift toward strategic rivalry" between China and the United States, but that it can be slowed or reversed if the two sides find common ground on such strategic issues as Korea, Pakistan, regional stability, and the Asian economic crisis. China's military buildup should not be exaggerated because it starts from a small base and is nowhere near matching American capabilities. Yet it is aimed at projecting power in the region around its periphery—where up to now the United States has enjoyed a monopoly of power. China is already the world's second-largest economy and its market reforms promise a successful future. Yet there are many weaknesses—including a near-bankrupt banking system. China is still governed by a repressive political system, but much of the centralized state apparatus has been dismantled, and there is a degree of institutional pluralism and individual initiative. Also political ferment, in the form of officials and individuals calling for democratization, is building, probably well beyond the intentions of the reformist leadership. The persuasive conclusion is that the United States is in a pivotal position in Asia as the one power with which all others seek a relationship as insurance against their neighbors. Washington needs to be prepared to confront China if it challenges the regional balance of power. But short of that, it should maintain its links with all the world's important powers.

China's Unfinished Economic Revolution. BY NICHOLAS R. LARDY. Washington: Brookings, 1998, 280 pp. $44.95 (paper, $18.95).

An economist who specializes in China argues that for the last two decades state-owned banks have channeled a large share of sharply rising household savings into what are mostly unreformed, money-losing companies, and several of China's largest financial institutions are now insolvent. To avoid a major domestic banking crisis, China must end the long-standing practice of making lending decisions on political rather than economic criteria. The share of bad bank loans in China is now higher than it was in Korea or Thailand just before the onset of their financial crises last year. Fraud, corruption, and other lending irregularities are endemic. Like some other Asian countries, China needs not only to reform its financial system but also to restructure its industrial sector, which together will require the state and the party to surrender a great deal of economic and political power. Those who magnify the "China threat" by extrapolating from China's past growth rates are seriously mistaken. The United States needs to assist in China's enterprise and bank restructuring program.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Japan: The System that Soured: The Rise and Fall of the Japanese Economic Miracle. BY RICHARD KATZ. Armonk: M. E. Sharpe, 1998, 336 pp. $68.95 (paper, $24.95).

An economist argues that the industrial policy that was miraculously successful in helping an underdeveloped Japan catch up to the West is now at the root of Japan's stagnation. For example, in response to the oil shocks of the 1970s, Japan increasingly used its industrial policy tools not to promote export-oriented winners, but to shield inefficient loser industries from competition. Japan's well-known aversion to imports also acted as a bodyguard to protected domestic cartels in inefficient industries. The end result is a deformed dual economy of strong exporters and weak domestic producers. To make matters worse, a mountain of bad debts is now weighing down the banking system. Without sweeping reform that goes beyond deregulation, Japan will be doomed to years of stagnant growth and political gridlock. Japan needs a modern political system with competitive political parties that could genuinely alternate in power, a modern financial system in which money goes to its most efficient use rather than to shore up political allies and cartelized backward industries, and a genuinely competitive corporate setup and a modern competitive distribution and retail system. Finally, Japan needs genuinely to open its doors to imports and foreign direct investment.

Managing Change on the Korean Peninsula. CHAIRED BY MORTON I. ABROMOWITZ AND JAMES T. LANEY. New York: Council on Foreign Relations Press, 1998, 67 pp. $5.00 (paper).

This bipartisan task force, which includes former ambassadors to South Korea, all of the assistant secretaries of state for Asia from the last four administrations, and the most senior official ever to negotiate with North Korea, offers a number of recommendations for a bolder U.S. approach. While maintaining deterrence, the United States should acknowledge that it does not seek to destroy the North or help the South absorb it. And it should make modest adjustments to ease sanctions in the hope of accelerating forces of positive change. The United States should then join with South Korea in offering a large package of reciprocal moves that might induce the North to make significant changes in its policies. The report also calls for a much greater degree of sustained high-level attention to the Korea problem within the U.S. government.

New Ghosts, Old Ghosts: Prisons and Labor Reform Camps in China. BY JAMES D. SEYMOUR AND RICHARD ANDERSON. Armonk: M. E. Sharpe, 1998, 313 pp. $39.95.

This authoritative volume represents a pioneering study of China's *laogais,* or labor camps. Based on research in classified documents and extensive interviews with former prisoners, judicial personnel, and other insiders, the study focuses on three northwestern provinces. Life in the camps is harsh. Many are in remote, widely scattered locations, accessible only by crude transportation. Physical abuse and exploitation abound. And at least in Xinjiang province, where the majority of the population is Muslim, there are many political prisoners. In terms of numbers, however, the rate of incarceration is close

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the world average. There are a considerably smaller percentage of Chinese in *laogais* than there were Soviet citizens in the gulag. The authors debunk reports that the *laogais* engage in significant economic activity. Finally, although China's prisons are far less humane than Western prisons, they are similar to those in economically comparable countries.

Asia Pacific Security Outlook 1998. EDITED BY CHARLES E. MORRISON. Washington: Brookings, 1998, 163 pp. $12.00 (paper).

This volume satisfies the need for an authoritative annual review of the security environment in East Asia. A regional overview is followed by chapters on 16 countries. The book contains important insights on the Asian financial crisis and how it is affecting individual countries, relations among the great powers, territorial disputes, the Korean peninsula, and weapons modernization.

Africa

GAIL M. GERHART

Democratic Experiments in Africa: Regime Transitions in Comparative Perspective. BY MICHAEL BRATTON AND NICHOLAS VAN DE WALLE. New York: Cambridge University Press, 1997, 307 pp. $59.95 (paper, $19.95).

This ambitious academic study explores the wave of reform that swept Africa between 1990 and 1994, when 23 of the continent's 42 one-party states held competitive elections and installed nominally democratic regimes. Using multivariate statistical analysis, the authors try to determine what political, economic, and international factors most convincingly account for patterns of mass protest, political liberalization, and regime transition. The authors find that legacies of neopatrimonialism strongly shaped regime transitions, but that differing experiences of political participation and competition prior to 1990 helped determine varying outcomes. Economic conditions explain little about varying political patterns, and explicit political pressures from foreign donors do not correlate positively with liberalization. Given the lack of cohesion among opposition forces in many countries, plus a shallow commitment to democratic procedures and principles among elites, the authors are pessimistic that widespread consolidation of democratic regimes in Africa will soon occur. One must question whether all the relevant influences can really be reduced to numbers. Nevertheless, the exercise produces many stimulating ways of looking at democratization.

Country of My Skull. BY ANTJIE KROG. Johannesburg: Random House, 1998, 286 pp. $27.50.

It is doubtful that a better book will be written about South Africa's Truth and Reconciliation Commission. Krog is an Afrikaner poet and radio journalist who has led the news team covering the proceedings of the commission for the South African Broadcasting Corporation. This extraordinary work, presented in partly fictionalized form as if it were a diary, dissects the commission's attempts to expunge the society's old foundations of political legitimacy and replace them, through a complex process of exposure,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

confession, amnesty, and reparations, with a new morality. As victims of the old system testify and perpetrators confess, or shy away from confessing, their brutish past deeds, the author weaves together her reflections into a gripping, wry, and emotionally wrenching narrative. That such a beautiful book could be written on so ugly a subject inspires confidence in the viability of South Africa's new order.

Into the House of the Ancestors: Inside the New Africa. BY KARL MAIER. New York: John Wiley, 1998, 278 pp. $24.95.
Africa in Chaos. BY GEORGE B. N. AYITTEY. New York: St. Martin's Press, 1998, 399 pp. $35.00.

The seemingly chronic inability of most African countries to overcome poverty, debt, and bad government has inspired a growing literature for general readers that applies diagnostic and prescriptive approaches on a continental scale. Each author adopts a spin that allots responsibility for Africa's problems primarily to external or internal causes, then offers solutions that can range from the technocratic through the hard-nosed political on into the realm of the spiritual and cultural. Both of these books blame Africa's economic woes mainly on weak and corrupt African leaders and prescribe a return to the foundations of precolonial culture. Maier, a journalist who is upfront about his desire to correct Africa's unflattering media image, presents a set of colorful vignettes designed to show that there is plenty of virtue among ordinary Africans, particularly when they draw on the strength of traditional values. Ayittey is an émigré Ghanaian economist. After a short romantic detour through precolonial political culture, he gets down to straight talk: an angry polemic against the "sultanism" and statism of Africa's inept and self-seeking rulers, the fawning elites who support them, and the criminally negligent western lenders and donors who have helped to foster and perpetuate their misrule. The only solution to economic failure, he argues, is radical political reform to rid Africa of its "vampire" states and restore the accountability and democracy said to be characteristic of African political tradition. The agents of this transformation must be Africa's intellectuals, particularly those like himself who have gone into exile rather than sell their services to immoral regimes.

Proxy Targets: Civilians in the War in Burundi. New York: Human Rights Watch, 1998, 125 pp. $7.00 (paper).
The Scars of Death: Children Abducted by the Lord's Resistance Army in Uganda. New York: Human Rights Watch, 1997, 135 pp. $10.00 (paper).

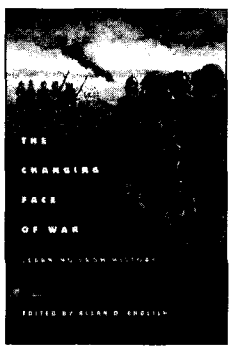
Six years of civil war in Burundi have pitted the Tutsi-dominated government of Major Pierre Buyoya against several Hutu insurgent groups provisioned from neighboring countries. To deny support to the insurgents, Buyoya has forcibly confined almost a third of a million Hutu peasants in crowded "regroupment camps," where food and medicine are scarce and threats of violence constant. This report details abuses against civilians by both sides in the conflict and finds that international sanctions against Burundi have resulted in only limited improvements in security for rural noncombatants.

In *Scars of Death,* Human Rights Watch exposes atrocities resulting from the brutal actions of the bizarre Ugandan group

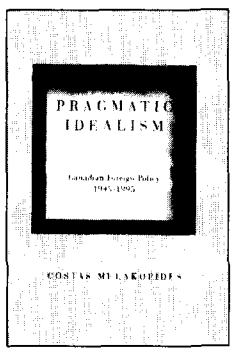
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

called the Lord's Resistance Army. Backed by the Khartoum government in return for services rendered against southern Sudanese rebels, the LRA's Joseph Kony, an Acholi warlord, plunders and terrorizes Uganda's northern districts, replenishing his military forces through the abduction of teenagers. More than ten years of repression by the Ugandan army has failed to eliminate the LRA scourge, leaving the Acholi civilian population, especially its children, exposed to continuing trauma. Human Rights Watch calls on the world to press the Sudanese government to withdraw its aid to the LRA, and on the United Nations to strengthen the International Convention on the Rights of the Child.

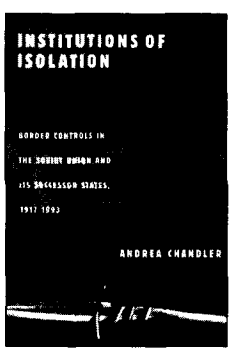
Books you won't see on *Oprah*



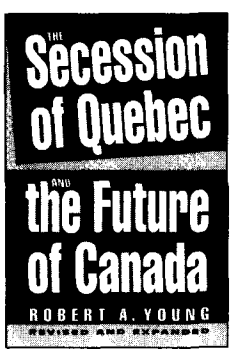
THE CHANGING FACE OF WAR
Learning From History
Edited by
Allan D. English
$39.95 cloth



PRAGMATIC IDEALISM
Canadian Foreign Policy, 1945 - 1995
Costas Melakopides
$39.95 cloth



INSTITUTIONS OF ISOLATION
Border Controls in the Soviet Union and its Successor States, 1917 - 1993
Andrea Chandler
$44.95 cloth



THE SECESSION OF QUEBEC AND THE FUTURE OF CANADA
Revised and Expanded
Robert A. Young
$22.95

McGILL-QUEEN'S UNIVERSITY PRESS
http://www.mcgill.ca/mqupress

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Letters to the Editor

Mike Mochizuki & Michael O'Hanlon on Japanese Defense; Chien-jen Chen on Taipei's Jitters; and others

HELP YOUR HEGEMON

To the Editor:

Former Japanese Prime Minister Morihiro Hosokawa is right to reject the still common argument that a major purpose of the U.S.-Japan alliance is to contain Japan ("Are U.S. Troops in Japan Needed?" July/August 1998). He is also right that the U.S. military presence in Japan is excessive. And he correctly reminds Americans of the generosity of Japan's support payments, which at $5 billion a year are far greater than those of other U.S. allies.

But Hosokawa should not make too much of Japan's checkbook diplomacy. Although generous in dollars, it pales next to the military contributions of allies like Great Britain and South Korea, who are willing to fight shoulder to shoulder with the United States. Hosokawa is right that Japanese militarism is no longer a real threat. There is no longer any excuse for Japan to eschew such combat roles and responsibilities.

By virtually any measure—total defense expenditures, spending as a percentage of GDP, the human costs of preserving regional and global stability—Washington makes much larger contributions to the U.S.-Japan alliance than does Tokyo. Japan's generous foreign aid does not even begin to even the score. Hosokawa might argue that America should be expected to pay more for defense, given the privileges of its hegemonic position. But hegemony is not as much fun as it used to be. Just ask the 37,000 U.S. troops in South Korea who sleep with gas masks next to their beds. Since 1945, the United States' military responsibilities in Asia have cost it nearly 100,000 dead and hundreds of billions of dollars. For that price, America gains no greater access to markets, raw materials, or other traditional rewards of global dominance.

Hosokawa has an unduly narrow view of Japan's security interests. He argues that Japan is doing a good job taking care of itself, protecting its own territory as well as the nearby seas without much American help. But what about ensuring access to Persian Gulf oil or preserving stability throughout the western Pacific? And what about nuclear deterrence? Hosokawa admits elsewhere that, absent the U.S. nuclear umbrella, Japan might well feel the need to obtain nuclear arms itself.

Hosokawa is correct on one central theme: the U.S.-Japan alliance must change fundamentally. A further reduction in U.S. bases, particularly Marine Corps facilities on Okinawa, should be part of the bargain. Washington needs to consult more equitably with Tokyo on decision-making. But Japan must do more, not

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

less. It must take on the security responsibilities that are normal among allies, revising its constitution if need be. The revision to the U.S.-Japan defense guidelines, still awaiting Diet approval of many of its key elements, is a step in the right direction—but only a modest one.

MIKE MOCHIZUKI
Senior Fellow, The Brookings Institution
MICHAEL O'HANLON
Fellow, The Brookings Institution

FEELING SECURE

To the Editor:

Chas. W. Freeman, Jr., draws the wrong conclusions ("Preventing War in the Taiwan Strait," July/August 1998). If the United States followed his recommendations, conflict would be more likely.

Freeman fails to distinguish between peaceful and non-peaceful approaches to changing Taiwan's status unilaterally, either by Beijing or Taipei, and prefers a status quo maintained through military intimidation to promoting democracy in the region. He fundamentally misreads Taiwan's domestic politics by stating that Taiwanese politicians think they have "wide latitude to . . . maneuver the island toward independence" and mischaracterizes the results of U.S. arms sales to Taiwan by saying that they no longer "boost Taipei's confidence that it can work out its differences with Beijing." And he strongly implies that independence sentiments in Taiwan—not Beijing's inability to offer Taiwan an attractive alternative—are the greatest impediment to resolution of the cross-strait dispute. Freeman's policy recommendations endorse a zero-sum notion of the U.S.-China-Taiwan relationship: that improvements in either the Washington-Beijing relationship or the Washington-Taipei relationship must come at the expense of the other.

This approach would create insecurity in Taipei, reward Beijing's military intimidation, and undermine Washington's regional strategy for promoting democracy, peace, and stability. Reducing security assistance to Taiwan, particularly in light of China's military modernization, is most worrisome. It would be misread in every capital in the region, making a Chinese attack more likely.

The United States should not inject itself directly into the dispute. Rather, it should focus exclusively on process and not pressure either side toward any one outcome, including the unlikely option of Taiwanese independence. The administration may not actively support Taiwanese independence, but neither should it reject or actively oppose it. The United States should limit itself to creating an atmosphere conducive to peaceful resolution.

The administration is right to engage China. It should now build on the Clinton-Jiang summit and improve relations with Taiwan as well. Not to do so, whether by calculation (Freeman's approach) or neglect, will dangerously destabilize this unique triangular relationship.

Parallel engagement of Taiwan should involve the Clinton administration's offering Taiwan security reassurances not only through continued arms sales but through high-level dialogue to encourage Taiwan to proceed with a cross-strait dialogue. Washington should support greater international participation for Taiwan, help integrate it into the international economic system, and support its bid for membership in the World Trade Organization. Taiwan's democracy

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

should be allowed to mature. America needs to engage both countries because the prosperity and security of all three are closely linked. One insecure participant can disrupt progress, and today Taipei is not feeling very secure.

RANDALL G. SCHRIVER
Senior Country Director for China, including Taiwan, Office of the Secretary of Defense

To the Editor:

Freeman's misperceptions are potentially more destabilizing and inimical to U.S. interests than any actions he ascribes to Taipei. The first is that Taipei's refutation of Beijing's specious claim of sovereignty over Taiwan is tantamount to espousing Taiwanese independence. The government of the Republic of China remains firmly committed to the peaceful reunification of China as a free, democratic, and equitably prosperous nation. The current reality, however, is that Taiwan, the Pescadores, Quemoy, Matsu, and other ancillary islands never fell to the communists in 1949 and have been administered by Taiwan for nearly five decades. Reluctance by Taiwan's voters to embrace rule by a totalitarian state should not be interpreted as a desire to be independent from China. Rather, it expresses a rejection of the mainland regime's governance.

A second misperception is that decreasing arms sales to Taiwan will somehow stabilize the Taiwan Strait. In fact, unless China renounces the use of force against Taiwan, a militarily weakened Taiwan is only a more inviting target for mainland adventurism. Assuring the security of the Taiwan area has been a primary goal of U.S. policy in the region because a secure populace makes rational decisions.

A third misperception is that helping Beijing stack the deck before the two sides engage in cross-strait dialogue will somehow help reunifiy China. Beijing's unwillingness to accept Taipei as an equal partner in the process of national reunification remains the major stumbling block.

The fourth and perhaps most unsettling misperception is that the development of democracy in Taiwan is subversive or destabilizing. It has introduced a new variable—that of the opinions of the Taiwanese electorate—but this is healthy. One of the major objectives of U.S. foreign policy is promoting democracy. The authoritarian regime in Beijing fears what it cannot control, while democratic governments have to respect rather than suppress public opinion. Beijing's "one country, two systems" formula cannot assure the degree of political accountability already attained on Taiwan and so is unacceptable to the people of Taiwan.

CHIEN-JEN CHEN
Government Spokesman, Republic of China

STILL A GOOD IDEA

To the Editor:

Jagdish Bhagwati reminds us that "Western Europe's return to prosperity was . . . achieved without capital account convertibility" ("The Capital Myth," May/June 1998). The European Community was built on the free circulation of goods and the lowering of customs barriers. At the end of the 1980s, it was decided that a single market should also be a free currency market, and today there are no barriers to the movement of capital in the European Union.

One factor behind this move may have been the presence of the United Kingdom, a major financial marketplace.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But the real reason is the logic of the single market itself. The 1970s and 1980s showed Europeans that free trade without capital convertibility was not totally free or without intrinsic risk because it was continually at the mercy of competitive national currency devaluations. Safe behind their currency barriers, governments felt free to indulge in deficit spending, overstaff the bureaucracy and publicly owned industries, and stand by while trade unions made inflationary wage demands. Politicians bought electoral consensus with inadequately financed state-sector pensions and public services. The cost was passed on to future generations as debt. Retaliation against such policies, in the form of savers' and markets' shaken confidence, was countered with restrictions on capital movement.

Western European economies' loss of competitiveness was masked by continual currency devaluations. In the end, only the free movement of capital saved the single market in Europe from the competitive devaluations distorting it. It maximized returns on family savings, which was important in an aging society facing a breakdown of pay-as-you-go pensions. Free capital mobility made governments balance their books or be voted out by an electorate of savers. The result is that "Euroland" has made remarkable progress toward small public deficits and low inflation. No European is nostalgic for the days when governments could hide behind safe currency barriers.

FEDERICO RAMPINI
European Editor, La Repubblica

To the Editor:

Because he is such an influential exponent of free trade, Bhagwati's strong opposition to open capital flows deserves serious attention. Many notable economists, especially from developing countries, share his position, as the forthcoming annual report of the U.N. Committee of Development Planning will indicate.

Although I am a member of that committee, I remain troubled by its analysis. Access to international capital often contributes to efficient capital use and growth and therefore to development. Bhagwati discusses the slow progress of past capital account liberalization in many developing countries. But the world has moved on. Seeing volatility as inherent in the size of international capital flows is a mistake. Flows in and out of particular countries are more or less volatile depending on specific policies and circumstances. The Asian financial crisis affected Taiwan, Singapore, the Philippines, and Hong Kong very differently than it did Thailand and Indonesia. Most countries benefit from access to international capital, and even the few damaged by capital flight tend, after initially blaming the international financial system, to focus on more important domestic causes. This was the case in Mexico, whose capital crisis some saw as a failure of liberalization.

While some capital flows are more stable than others, the distinction between "stable" and "unstable" capital can be overstated. Capital account liberalization must remain an objective for all countries, although its adoption by individual countries must take into account specific economic and political concerns.

BISHNODAT PERSAUD
Professor, University of the West Indies

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

LOOK SOUTH

To the Editor:

By focusing on Uganda, Rwanda, Ethiopia, and Eritrea, somewhat more marginally on Angola and South Africa, and even more distantly on Tanzania, Zambia, Zimbabwe, and Burundi, Dan Connell and Frank Smyth seem to have discovered hope for the future, at least for Central Africa ("Africa's New Bloc," March/April 1998). Interestingly, their conclusions coincide with the questionable policy implied by Secretary of State Madeleine K. Albright during her visit to Africa last December.

Albright was correct in identifying the vast former Zaire, now known as the Democratic Republic of the Congo, as the key to the region. It may still be ungovernable, and continued anarchy could precipitate a breakup, sowing chaos among its squabbling neighbors. But Albright may now regret including President Laurent Kabila among the region's "strong leaders." I was American consul in Bukavu, Zaire when Kabila's Simba rebellion erupted in 1964, and his behavior then made it easy to predict that his current regime would be repressive and corrupt. It does not even control the whole Congo.

Rwanda cannot anticipate peace. The current Tutsi government, representing 15 percent of the population and opposed by the remaining, overwhelmingly Hutu, 85 percent can be expected neither to respect human rights nor to remain internally unchallenged, with or without American military training. The massacres of 1994 and 1996 will almost surely be repeated.

Yoweri Museveni has been the "non-political" president of Uganda for 12 years without elections. Although he has made some progress in establishing a market economy, there is little intimation of when or whether Uganda will hold elections. However, Musevini was willing to pay to train and supply the Rwandan Tutsis (perhaps with U.S. acquiescence) and, reportedly supported by the United States, assist the long-standing non-Muslim rebellion against the Islamist government of Sudan. This bodes ill for stability.

Connell and Smyth place great hope on the triumvirate core of the new bloc: Museveni, President Isaias Afwerki of Eritrea, and Prime Minister Meles Zenawi of Ethiopia. The last two are now engaged in a violent border dispute. American diplomats are scurrying around the area to negotiate a solution to a conflict in which there is little reason for American involvement. Southern Africa, more than the "new bloc," is a more logical area of American interest. Post-apartheid South Africa, with its natural resources, well-trained work force, technology, and, one hopes, stability, can become an example and a source of inspiration, leadership, and cooperation in helping its neighbors develop and stabilize.

WILLIAM E. SCHAUFELE, JR.
Retired Foreign Service Officer

PLUS ÇA CHANGE

To the Editor:

Dominique Moïsi explains the difficulties France, "burdened with the weight of ancient traditions and images of the past," encounters in adapting to globalization and finding its "place and status in a new world" ("The Trouble with France," May/June 1998). But France is perhaps the European country that has changed most in the second half of this century. Before the war, France was a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

predominately agricultural, highly protectionist nation of 40 million people with a colonial empire second only to Britain's. Today, shorn of all colonial ties, it counts nearly 60 million people and is the fourth- or fifth-largest industrial economy, the fourth-biggest exporter of industrial and agricultural goods, and a member of a free trade area with 300 million people. It also leads European efforts in the Ariane and Airbus aerospace programs and, with 80 percent of its energy nuclear, has perhaps the cleanest energy sector of any industrialized country. So one should not despair of the French capacity to adapt to new contingencies.

In foreign affairs, France's two main postwar objectives—reconciliation with Germany and construction of a European union—have harmonized with, not opposed, the basic goals of American foreign policy. The main frictions between Paris and Washington were about defense issues that, with the end of the Cold War, are mostly trivial. Recently, French forces took part in the Persian Gulf War and were, with the British, the first to go into Bosnia.

Anti-American feelings are inevitable on both the far right and far left, but the building of the European Union is not motivated by envy of the United States. Rather, it reflects the recognition that in the next century the only chance for Europe to be an actor on the world stage is through unification. Those who realize this best are the youth, who, ignoring frontiers and roaming the continent with backpacks and sleeping bags instead of passports, hope to study in American universities.

FRANÇOIS DE ROSE
Former French ambassador to NATO

ERRATUM

The caption of the photograph on page 173 of the July/August issue (Volume 77, Number 4) misidentified the men as U. S. troops. They are members of Britain's Royal Air Force. We regret the error.

Foreign Affairs (ISSN 00157120), September/October 1998, Volume 77, Number 5. Published six times annually (January, March, May, July, September, November) at 58 East 68th Street, New York, NY 10021. Subscriptions: U.S., $44.00; Canada, $54.00; other countries via air, $79.00 per year. Periodicals postage paid in New York, NY, and at additional mailing offices. Postmaster: Send address changes to *Foreign Affairs*, P.O. Box 420235, Palm Coast, FL 32142-0235.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

An invitation to subscribe to the leading journal of post-Soviet affairs.

Stay current on the political turmoil experienced by the post-Soviet countries as they attempt to create stable, democratic governments and societies with *Demokratizatsiya: The Journal of Post-Soviet Democratization*. Each quarterly issue brings you the best writers, scholars, and practitioners from the former USSR and the West.

Demokratizatsiya is unlike any other publication covering post-Soviet issues. It features original, provocative, readable articles on politics, government, social issues, legal systems, human rights, international relations, the perestroika period, as well as never-before-published archival information on key Soviet decisions and an annual section on political humor from the area.

"Those who are shaping the common futures of America and Russia read Demokratizatsiya."
— Alexander Yakovlev
architect of glasnost and perestroika

Demokratizatsiya is published by Heldref Publications in cooperation with the American Foreign Policy Council and American University and Moscow State University.

Demokratizatsiya
Демократизация
The Journal of Post-Soviet Democratization

Subscribe to *Demokratizatsiya* today and receive a spec discount for readers of *Foreign Affairs*.

❑ One year at more than 15% off $38.00 for individual
$63.00 for institution

❑ Two years at 20% off $72.00 for individua
$120.00 for institution

(Please add $15 for postage outside the U.S.)

NAME

ADDRESS

CITY STATE ZIP

HELDREF PUBLICATIONS
1319 18th Street, NW Washington, DC 20036
202-296-6267 202-296-5149 fax
www.heldref.org

5131de

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED